2017 Moving to Work Plan

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SECTION I: INTRODUCTION AND OVERVIEW

In 2017, THA will continue to take an active role in its long-term vision for its city. THA's Board of Commissioner has stated it clearly:

> *" THA envisions a future where everyone has an affordable, safe and nurturing home, where neighborhoods are attractive places to live, work, attend school, shop and play, and where everyone has the support they need to succeed as parents, students, wage earners and neighbors. "*

THA acknowledges that such a future is not pending, or presently plausible. This makes THA's mission that much more urgent. THA's Board of Commissioners has also stated that mission clearly:

> *" THA provides high quality, stable and sustainable housing and supportive services to people in need. It does this in ways that help them prosper and help our communities become safe, vibrant, prosperous, attractive and just. "*

THA's Moving to Work (MTW) designation is essential to this effort. MTW status does not give THA more funding from HUD. Instead, and critically, MTW status makes the funding more flexible. It allows THA to design its programs to better serve Tacoma's community in ways that best account for Tacoma's local needs as THA and its community judge them to be.

THA's vision and mission align completely with the three MTW statutory objectives:

1. Increase housing choices for low-income families
2. Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational 2programs, or programs that help people obtain employment and become economically self-sufficient
3. Reduce cost and achieve greater cost effectiveness in federal expenditures

THA looks forward to determining effective uses of MTW authority for these purposes.

LONG and SHORT TERM GOALS

With the agency vision and mission and HUD's MTW statutory objectives in mind, THA completed its strategic objectives and performance measures that will guide the agency through the coming years. THA's Board has developed seven strategic objectives. They show below. The Board has also devised performance measures for each one. Listed below each strategic objective are the strategies THA has chosen to fulfill the objective.

In general, these strategic choices have THA provide high quality housing and supportive services to people in need, with a focus on the neediest. THA will seek to do this in ways that also get two other things done. **First**, it seeks to help people who can work to prosper. It wants their time on its housing programs to be transforming and temporary. It wants this certainly for parents but emphatically for children because it does not wish them to need its housing when they grow up. **Second**, THA seeks to help the City of Tacoma develop and when the city does develop that it does so equitably so that it becomes a place, as THA's mission statement contemplates, that households of all types, needs and incomes experience that is "safe, vibrant, prosperous, attractive, and just." The following seven strategic objectives and strategies are ambitious. THA will require all the tools within reach, including its MTW flexibility.

1. Housing and Supportive Services

THA will provide high quality housing, rental assistance and supportive services. Its supportive services will help people as tenants, parents, students, wage earners, and builders of assets who can live without assistance. It will focus this assistance to meet the greatest need.

To meet this objective THA will:

- Strive to increase the number of households and persons receiving THA housing or rental assistance.
- Maintain an economic, racial, ethnic, language, age and differed abilities diversity that is reflective of our community.
- Provide the support and incentives necessary to help households to increase their household incomes.
- Help households get banked and build assets.
- Monitor the educational outcomes of students in our programs and provide interventions where necessary to help students succeed.
- Connect adult customers with education and employment services.
- Help households successfully exit THA's housing programs.
- Assess households on a scale of "in-crisis" to "thriving" and provide the services and referrals necessary to help households move to self-sufficiency.
- Regularly assess our service investments to ensure customers are satisfied and that the investments are offering the outcomes we hope for our customers.

2. Housing and Real Estate Development

THA will efficiently develop housing and properties that serve primarily families and individuals unable to find affordable and supporting housing they need. Its work will serve to promote the community's development. Its properties will be financially sustainable, environmentally innovative, and attractive.

To meet this objective, THA will:

- Increase the number and type of THA units.
- Improve the quality of housing that THA owns and manages.
- Increase the life-span of the units within THA's portfolio.
- Continue to develop and rehabilitate housing that is of award-winning quality.
- Improve the cost effectiveness of THA's development function.
- Assist in the development of affordable housing by other organizations.
- Reduce the amount of THA dollars in each development and increase the amount of private and public investments.
- Develop healthy and vibrant communities as measured by their incorporation of art and the walkability to community assets such as parks, schools, grocery stores, public transit and other community amenities promoting health.

3. Property Management

THA will manage its properties so they are safe, efficient to operate, good neighbors, attractive assets to their neighborhoods and places where people want to live.

To meet this objective, THA will:

- Lower its per unit per year operating costs.
- Increase its rent collection.
- Improve each property's cash flow.
- Maintain high quality properties.
- Schedule and complete capital repairs on a regular schedule.
- Maintain a high level of customer satisfaction as judged by customer surveys.
- Consult with customers in advance of any policy changes 100% of the time.

4. Financially Sustainable Operations

THA seeks to be more financially sustaining.

To meet this objective, THA will:

- Achieve an agency-wide operating surplus.
- Maintain minimum and maximum restricted and unrestricted reserves.
- Achieve a 1.15 debt-service ratio.
- Increase the value of THA's land and properties.
- Increase and diversify its income.

5. Environmental Responsibility

THA will develop and operate its properties in a way that preserves and protects natural resources.

To meet this objective, THA will:

- Develop environmentally responsible properties.
- Develop communities that incorporate creativity and healthy place making.
- Reduce energy and resource consumption.
- Reduce the use of greenhouse emitting products.

6. Advocacy and Public Education

THA will advocate for the value of THA's work and for the interests of the people it serves. It will be a resource for high quality advice, data, and information on housing, community development, and related topics. THA will do this work at the local, state and national level.

To meet this objective, THA will:

- Strive to maintain a positive public regard for THA.
- Lend staff to serve as effective members of community advisory panels.
- Be an effective advocate for the value of its work and the people it serves.

7. Administration

THA will have excellent administrative systems. Its staff will have skills that make THA highly efficient and effective in the customer service it provides to the public and among its departments. It will provide a workplace that attracts, develops and retains motivated and talented employees.

To meet this objective, THA will:

- Improve its operating efficiency.
- Lower its administrative costs per household served.
- Increase the number of households served per full time employee (FTE).
- Decrease the average amount spent on community service per client outcome.
- Increase its employee engagement scores.
- Decrease its staff turnover.
- Maintain positive audit results.

Embedded within these objectives and strategies are tradeoffs that are unavoidable in the face of flat funding, increasing need and tightening rental markets. For example, a dollar spent on increased rental assistance or supportive services means serving fewer households, less support for leased housing and its tenants or weaker administration and customer service. THA can feel very confident about its judgment and the tradeoffs they denote. Yet some of them, like limits on rental assistance or increases, may not be occasions for celebration. We may not have made some of those choices if Tacoma did not face an affordable housing crisis or if THA was flush with resources to meet it. Yet THA, in consultation with our community, will make these choices with the market we face and the resources we have. Within those constraints, THA feels proud and excited about these objectives and the path they set for its work and its city. MTW flexibility makes this work adaptable and innovative and helps give meaning to each of THA's seven strategic objectives. Here are some examples of how THA has used and plans to use its MTW flexibility in order to meet these objectives:

Housing and Supportive Services: THA has modified its rent structure for its Housing Opportunity Program (HOP). Its flat subsidy removes the disincentive to increase earned income. It makes it easier to administer and explain. The savings allow THA to serve more families and to invest in supportive services that households need to succeed as "tenants, parents, students and wage earners."

THA has used MTW dollars and flexibility to fund its innovative Education Project. Among its initiatives is a program that has stabilized an elementary school with ruinous transient rates among its students because of family homelessness. THA has extended this program model to house homeless community college students during their enrollment as long as they make adequate academic progress toward a degree.

THA has modified its Family Self-Sufficiency program to build escrow accounts for customers as they achieve tangible, individual goals rather than through extremely complicated calculation worksheets.

THA has also been able to invest federal dollars in non-traditional rental assistance programs that serve homeless households with children, homeless youth without families, and families who need housing to prevent or shorten their children's foster care placements.

Plans for 2017

Partner in a new collaboration called 'Center for Strong Families.' This is a partnership between Sound Outreach, the United Way of Pierce County, the Tacoma Urban League, Tacoma Community House, Bates Technical College, Tacoma Housing Authority, Workforce Development, and other local non-profits to provide a one-stop resource for families to assist with economic independence and financial empowerment. Representatives from each organization will co-locate at a centrally located site owned by THA and THA clients will be the target audience for all services.

Expanding the Tacoma Public Schools Special Housing Program (formerly called McCarver) to additional families and schools.

THA will master plan one of its sites to serve unaccompanied youth and young adults. This is outside of THA's normal line of work but it is part of THA's insistence upon social justice and advocacy for this underserved and growing population.

Real Estate Development: THA is able to invest MTW dollars to build or buy new housing. Over the next five years, THA plans to add an average of 70 new housing units per year. This investment is important especially as Tacoma's rental market becomes less and less affordable making vouchers less and less effective. This investment also allows THA to (i) bring affordable housing to higher opportunity parts of the market that would be or are becoming unaffordable or inaccessible even with a voucher; (ii) invest in depressed parts of the market that need the investment and embolden others to invest.

Plans for 2017

Bay Terrace Phase II will be complete. This project will add 74 units of affordable housing.

Complete Hilltop Master Planning to inform THA's investments in a neighborhood that is becoming increasingly unaffordable.

Property Management: THA has used MTW dollars to maintain its public housing portfolio. This investment is also critical. That portfolio is valuable. It serves THA's neediest households, including those who would not do well in the private rental market even with a voucher, such as disabled persons, seniors, households coming from trauma and those who do not speak English. THA and its talented and multi-lingual staff are very good landlords to such tenants. This use of MTW dollars is also how THA can bring investments to neighborhoods that need it and to spur their development in ways that benefit all their residents.

Plans for 2017

Complete THA's portfolio-wide Rental Assistance Demonstration (RAD) conversion. This project uses MTW flexibility to bring portfolio rents to a level necessary to secure private debt to complete rehabilitation work in the properties. At the end of the conversion the properties will have longer useful lives, be better homes for THA's tenants, and be more financially sustainable. They will also look even more attractive.

Financially Sustainable Operations: The addition of affordable housing units to the portfolio will increase the agency assets. It will also add new income streams to the agency.

Plans for 2017

Complete THA's portfolio-wide Rental Assistance Demonstration (RAD) conversion.

Secure a new subsidy source (project based rental assistance) for a recently acquired property, New Look Apartments. This will allow 49 units of project based vouchers to be returned to THA to be redirected into other housing options for THA applicants.

Environmental Responsibility: THA achieved Certified LEED Gold Bay Terrace Phase I development that we developed using MTW dollars is.

Plans for 2017

Complete Bay Terrace Phase II to LEED Silver standards.

Deploy a document imaging/management program to allow THA to begin moving to paperless operations.

Advocacy: MTW has allowed THA to develop and test new ideas using its federal flexibility. These programs have added value to the Tacoma community and benefitted the customers we serve. We have been able to share these experiences with a wide national audience.

Plans for 2017

THA continues to be available as a source of data and advice to city, county, state and national policy makers on housing, community development and related topics.

Staff will continue to present at local and national conferences about its work and the benefits of MTW.

Administration: THA has greatly simplified how it verifies household income and assets for the purpose of calculating rent.

Plans for 2017

THA will deploy a new, self-developed software system that will be used to manage a bulk of THA operations. This system should make program administration, data monitoring and reporting, staff onboarding, and tenant/public communication easier and more streamlined.

THA will continue to look for innovative ways to best leverage its MTW designation in order to meet these objectives. THA's efforts could inform policy choices of other Public Housing Authorities unable to participate in the MTW demonstration.

Throughout all this work THA seeks to use the best data and research available. It builds evaluation into its program design. For these purposes, THA has joined with three other neighboring MTW agencies - Seattle Housing Authority, King County Housing Authority, and Home Forward (Portland) – to contract for research and evaluation services from the Urban Institute.

Section II: General THA Operating Information

A. Housing Stock Information

Planned New Public Housing to be Added During the Fiscal Year											
Amp Name and Number	Bedroom Size							Total Units	Population Type	# of UFAS Units	
	0	1	2	3	4	5	6+			Fully Accessible	Adaptable
N/A	0	0	0	0	0	0	0	0	N/A	0	0
N/A	0	0	0	0	0	0	0	0	N/A	0	0
N/a	0	0	0	0	0	0	0	0	N/A	0	0

Total Public Housing Units to be Added	0

* **Select Population Type from:** Elderly, Disabled, General, Elderly/Disabled, Other

If Other, please describe: Description of "other" population type served.

Planned Public Housing Units to be Removed During the Fiscal Year		
PIC Dev. # /AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
Bay Terrace	26	Rental Assistance Demonstration
N/A	0	N/A
N/A	0	N/A

Total Number of Units to be Removed	26

New Housing Choice Vouchers to be Project-Based During the Fiscal Year		
Property Name	**Anticipated Number of New Vouchers to be Project-Based***	**Description of Project**
Bay Terrace – Phase II	52	Bay Terrace Phase II is a 74 unit new development which is the second phase of THA's reinvestment in the city's Hilltop neighborhood. Combined with the 70 unit Phase I development, it creates 144 new units replacing 81 units of deteriorated, substandard public housing that was previously located on this site.
N/A	0	N/A
N/A	0	N/A
N/A	0	N/A

Anticipated Total New Voucher to be Project-Based	52

Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	1,238
Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year	14,856

*New refers to tenant-based vouchers that are being project-based for the first time. The count should only include agreements in which a HAP agreement will be in place by the end of the year.

Other Changes to the Housing Stock Anticipated During the Fiscal Year
THA is in the process of replacing 42 Project Based Vouchers (PBV) at the New Look apartment building with Project Based Rental Assistance (PBRA). The transfer of PBRA subsidy from a property recently dispositioned by THA to the New Look is currently under HUD review. Once approved, THA will utilize the New Look PBVs to subsidize another development.
THA is in the process of planning and completing the rehabilitation for 456 units per the agency's Rental Assistance Demonstration (RAD) conversion. The second phase of the RAD conversion, which contains 353 units, was scheduled to close by the end of fiscal year 2016. THA will no longer convert Salishan or Hillside to RAD leaving only Bay Terrace to convert. This is expected to happen in early 2017. The second phase now contains 26 units.
N/A

Examples of the types of other changes can include but are not limited to units that are held off-line due to the relocation of residents, units that are off-line due to substantial rehabilitation and potential plans for acquiring units.

General Description of All Planned Capital Fund Expenditures During the Plan Year
THA converted 456 units of Public Housing to RAD in 2016. Funds were used for HAP payments through 2016. The remaining CFP funds are received for the Tax Credit Public Housing units. In February, we will be converting our Bay Terrace project. Once we determine the amount needed for HAP payments, we will be drawing down remaining CFP funds as needed to supplement MTW Operational Losses.

B. Leasing Information

Planned Number of Households Served at the End of the Fiscal Year		
MTW Households to be Served Through:	**Planned Number of Households to be Served***	**Planned Number of Unit Months Occupied/Leased*****
Federal MTW Public Housing Units to be Leased	0	0
Federal MTW Voucher (HCV) Units to be Utilized	4,653	55,836
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs **	44	528
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs **	120	1,440
Total Projected Households to be Served	4,817	57,804

* Calculated by dividing the planned number of unit months occupied/leased by 12.

** In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the PHA should estimate the number of households to be served.

***Unit Months Occupied/Leased is the total number of months the PHA has leased/occupied units, according to unit category during the fiscal year.

Reporting Compliance with Statutory MTW Requirements

If the PHA has been out of compliance with any of the required statutory MTW requirements listed in Section II(C) of the Standard MTW Agreement, the PHA will provide a narrative discussion and a plan as to how it will return to compliance. If the PHA is currently in compliance, no discussion or reporting is necessary.

THA is currently in compliance with the three statutory MTW requirements.

Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional Units and Possible Solutions	
Housing Program	**Description of Anticipated Leasing Issues and Possible Solutions**
Housing Choice Voucher (including HOP and PBVs)	**THA's conversion of its public housing to project based vouchers through RAD may require THA to offer exit vouchers to households affected by the conversion. This may cause delays in pulling households from THA's HOP wait list. It may also cause delays in leasing the project based voucher units as households transition from THA low income housing to tenant based assistance.**
Local, Non Traditional Program	**THA currently invests in two local non-traditional housing programs that are administered through Pierce County. The county is responsible for allocating THA's investment to local rapid rehousing providers. The amount of investment is scheduled to increase to $1 million in 2017. Depending on the capacity of county and local providers to utilize and allocate these funds, there may be issues related to fully utilizing the allocated amount. THA will work closely with Pierce County to monitor the contract amount and the number of households served and will plan accordingly for unused funds.**
N/A	**N/A**

C. Wait List Information

Wait List information Projected for the Beginning of the Fiscal Year				
Housing Program(s)*	Wait List Type**	Number of Households on Wait List	Wait List Open, Partially Open or Closed***	Are There Plans to Open the Wait List During the Fiscal Year
Low Income Housing (THA RAD Units and non-RAD PBVs)	Site-Based	11,180	Closed	No
Housing Opportunity Program (Federal MTW Housing Choice Voucher Program)	Community-Wide	639	Closed	Yes
Nativity House (Federal MTW Housing Choice Voucher Program)	Program Specific	50	Open	Yes
College Housing Assistance Program (Federal MTW Housing Choice Voucher Program)	Program Specific	50	Closed	Yes
Rapid Rehousing – Families (Tenant-Based Local, Non-Traditional MTW Housing Assistance Program)	Community-Wide	169	Open	Yes
Rapid Rehousing – Youth and Young Adults (Tenant-Based Local, Non-Traditional MTW Housing Assistance Program)	Community-Wide	51	Open	Yes
Bay Terrace (non-PH, non-PBV units, non-traditional MTW housing units)	NA	NA	NA	NA

* Select Housing Program: Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.

** Select Wait List Types: Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the

Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).

*** For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.

N/A
N/A
N/A

If Local, Non-Traditional Housing Program, please describe:

Rapid Rehousing – Families is a Tenant-Based Local, Non-Traditional Housing Assistance Program operated in conjunction with Pierce County. It serves homeless or near homeless households with children in Tacoma and Pierce County.
Rapid Rehousing – Youth is a Tenant-Based Local, Non-Traditional Housing Assistance Program operated in conjunction with Pierce County. It serves homeless or near homeless youth and young adults in Tacoma and Pierce County.
Bay Terrace contains non-PH, non-PBV units, non-traditional, MTW funded tax credit units. Applicants apply as units become available and are housed on a first-come first-serve basis.

If Other Wait List Type, please describe:

N/A
N/A
N/A

If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

THA is considering the following changes to its waitlist: (1) THA may limit the number of units a housing applicant can turn down without good cause before being removed from all THA site based waitlists. (2) THA is considering making changes to its income targeting policies. THA might begin targeting higher income households in its subsidized tax credit units where units are set aside for 40-60% AMI households. (3) THA is considering eliminating our site based waitlists and allowing for referrals from other housing programs into vacancies and/or marketing units as vacancies occur (4) THA is considering changes to how it selects households for subsidized tax credit units set aside for homeless households. THA may accept referrals from a local service provider that specializes in service homeless households for these units. (5) THA is considering updating its waitlist management practices to require households to regularly check in and confirm their interest on remaining on the waiting list. (6) THA is considering opening and closing its wait lists based on the number of vacancies projected for two years in order to serve households within two years from the date of application.

Section III: Proposed MTW Activities

THA has devised multiple MTW policy revisions for fiscal year 2017. None of the proposals will require further MTW flexibilities not already covered in existing activity authorizations. For the purposes of this annual MTW Plan, THA has provided details regarding new program endeavors as an expansion or modification to the appropriate existing activity in Section IV of this Plan.

THA proposed the following activity to HUD in its 2015 MTW Plan. The MTW Office has reviewed the following activity and has no substantive concerns regarding the expansion of the Housing Opportunity Program (HOP) in light of a funding emergency. The activity will not be implemented unless approved through a plan amendment following the amendment process outlined in THA's MTW Agreement as well as the associated rent reform impact analysis.

25. Alternative Method for Reacting to Insufficient Funding Activity

Description of MTW activity: Current regulations allow housing authorities to terminate HAP contracts in the event of insufficient funding. THA would amend its Administrative Plan to allow the agency to implement immediate MTW rent reform in the form of the Housing Opportunity Program (HOP) as an alternative to terminating households. THA has never terminated any family from its programs for lack of funding. It does not wish to start.

Specifically, THA would amend the *Insufficient Funding* portion of its Administrative Plan to allow for immediate MTW rent reform. THA would also amend its Administrative Plan to reflect the methodology it would use to determine insufficient funding. Based on the adopted methodology, THA would conduct an impact analysis to determine the necessary program cuts. Before implementation of any new rent reform, THA would go through the public consultation process to reflect the expansion of the HOP activity.

This revision would allow THA to continue to serve the same number of households every year, despite funding cuts. THA would report on the number of households that did not have to be removed from programs as number of housing units preserved.

Relation to statutory objective: This activity will allow THA to increase/preserve housing choices for families that might otherwise lose their rental assistance.

Anticipated impact: THA projects that this activity will allow THA to continue to serve the same number of families and maintain financial stability without terminating families.

Anticipated schedule: THA will implement this activity upon approval from HUD.

Baselines, Benchmarks and Benchmarks: THA has chosen the following metrics out of the HUD standard metrics menu. Baseline data would be determined based on the level of any funding shortfall. Benchmark and outcome data would reflect the current number of households served at the time of the funding cut.

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmarks Achieved?
HC # 2: Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If unit reach a specific type of household, give that type in this box.	TBD	TBD	TBD	TBD

Data Source:
THA would report on the number of families that did not have to be removed from programs as number of housing units preserved. This would be tracked with our agency software.

Agency's Board approval of policy:
TBD.

Description of Authorization or Regulation Waived:
TBD: pending guidance from HUD and the MTW Office.

Impact Analysis:
THA has conducted multiple impact analyses to analyze the conversion of all work-able HCV program participants to HOP. Most recently, THA looked at this conversion on multiple timelines. The first analysis shows the potential impacts of converting all households to HOP on a single day. The subsequent analysis conveys the potential impacts of converting households during the month of a household's recertification month.

If THA exercises this alternative reaction to insufficient funding, it would conduct additional impact analyses. The number of households to be affected by this activity is dependent upon the amount of the budget shortfall.

Section IV: Approved MTW Activities

A. Implemented Activities:

1. Extend allowable tenant absences from unit for active duty soldiers: THA proposed and implemented this activity in 2011. THA modified its policy for terminating households who were absent from their unit for more than 180 days. Modifying the policy was necessary to account for households with adults called to active duty from retirement, from the reserves, or national guards. THA's programs have a number of reserve or guard military families because of close proximity to Fort Lewis, one of the nation's largest military bases. Due to the war in the Middle East, more of these reserve or guard members have been called to active duty. Active duty may force a household to be absent from their assisted unit for more than 180 days the normal rules allow, leaving them without housing assistance when the service member returns home. Although the question of having to terminate such a household of service men and women arose only a few times during the war and although THA managed to avoid such terminations with an artful understandings of the rules, even the prospect of terminating these households is too unsettling even to risk. This activity allowed THA to make the following policy revisions:

- Allow a previously assisted household returning from deployment to request reinstatement within 90 days from the date they return from deployment.

Status Update: THA has not needed to exercise this flexibility since 2010 but, since Tacoma is home to one the nation's largest military bases, THA wants to be ready if this issue arises again.

Modifications to the activity during the plan year: THA does not anticipate any changes to this activity during the Plan year.

Modifications to baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

2. Tacoma Public Schools Housing Assistance Program (formerly McCarver Elementary Housing Assistance Program): This activity was proposed and implemented in the 2011 MTW Plan. THA used the flexibility provided under Moving to Work status to pilot an innovative rental assistance program in partnership with Tacoma Public Schools. The rental assistance program is designed to assist families at McCarver Elementary School and to help transform the school. Among its many challenges, McCarver Elementary had a very high student turnover rate. For the 2007- 2008 school year, the school's student population had a turnover rate of 121%; in prior years, the turnover rate was as high as 179%. This population is transient because of family homelessness, a high poverty level in the school (96%), and the attendant housing insecurity. McCarver has more homeless students than any other elementary schools in Tacoma, the region and possibly the state.

THA used its MTW authority to provide rental assistance for eligible students and their families at McCarver for the duration of their enrollment at the school. THA began by serving 50 families with a plan to assess the results on stability and educational outcomes. THA believes that increased housing stability will show in better school performance.

The initiative has five elements: (i) the rental assistance to homeless families with children enrolled at McCarver. The assistance lasts for as long as the children remain at McCarver, with a maximum five years; (ii) parental commitment to keep their children enrolled at McCarver, support their children's education by getting them to school on time every day, reading to them, making time and space for homework, attending every student-parent-teacher conference and PTA meetings, and investing in the parents' own education and employment prospects; (iii) close case worker support from THA to help the parents fulfill these commitments; (iv) an investment in the school by the Tacoma Public School District to make the school worthy of the commitment we ask the parents to make. In particular, the School district has invested the considerable funds and effort to make McCarver an International Baccalaureate Primary Years Program that raises student and faculty standards for the entire school; (v) third party evaluation tracking an array of metrics (paid for by the Bill & Melinda Gates Foundation.)

Throughout their participation in the project, a family's compliance with program requirements are monitored by a case worker assigned to them. If a family has difficulty meeting the requirements, the case worker provides additional support. Should THA determine the family to be unable or unwilling to comply with the requirements, THA can terminate their participation.

Other Metrics: Other metrics beyond those HUD asks us to track are at the core of the initiative. They show in the attached third party evaluation report. The transient rate at the school is down to 74%. The reading scores of the cohort children has increased 15%. By one measure 61% of them are reading on grade level up from a baseline of 36% by that same measure; by another measure 41% of them are reading on grade level with no baseline.

Status Update: In our 2016 plan we reported that based upon encouraging program metrics THA and Tacoma Public Schools (TPS) had made two decisions. First, starting in September 2015 they will turn the program at McCarver from a pilot to a regular offering of the school. Second, starting in September 2016, they will begin its expansion to other elementary schools in Tacoma with ruinous student transient rates because of family homelessness. Planning for this expansion however, is still underway and will not occur until the school year beginning in 2016.

THA and TPS are in the process of reviewing the design details of the program, including the rent structure. It has become evident that the rent structure is not serving all families well. In year four, when families were expected to pay 60% of the market value rent, a majority were unable to make the required payments. They have received hardship exceptions allowing them to pay much less. In the interim while THA reviews the issue, THA has changed the rent structure for all participant families to an income based model already in use at THA. This would have household rent calculations set on THA's current rent reform model of the traditional Section 8 program. This means that household rent will be based on 28.5% of the household income.

In addition to the program rent structure THA and TPS are in the process of engaging internal staff, community partners and expert consultants at the Urban Institute to evaluate the supportive services delivery model and times limits in the program.

Modifications to the activity during the plan year: In 2016-2017, the program will be expanded to at least one additional elementary school within Tacoma Public Schools and perhaps a third.

Modifications to baselines or benchmarks during the plan year: Depending on the number of households receiving assistance through the program expansion, THA may reset the benchmarks to appropriately reflect those numbers.

Additional Authorizations: THA does not anticipate needing additional authorizations for this activity during the Plan year.

3. Local Project Based Voucher Program: THA proposed this activity in 2011. THA implemented parts of the program in 2011, and to date, it has implemented most of the activity except that THA has not yet exceeded the cap on PBVs in its own developments. This program introduced several changes to the way THA will operate the project based voucher program. They are as follows:

- THA removed the cap on project based vouchers for its own developments. That will allow THA to finance more developments in the future.
- THA waived the mobility option that allows PBV tenants to automatically receive a tenant-based voucher after one year of occupancy.
- THA established a reasonable competitive process and contract terms, including the length of the contract, for project-basing HCV assistance at units owned by for-profit or non-profit entities. Units must meet existing HQS or any standard developed by THA and approved by HUD pursuant to the requirements of this Restated Agreement.
- THA began conducting Housing Quality Standards (HQS) inspections on units it owns or has interest in.

The changes have allowed THA to streamline many parts of the project based program that were inefficient or unfair to those on the waitlist.

Status Update: Traditionally, HUD mandates that PHAs not spend more than twenty (20) percent of their Annual Budget Authority (ABA) toward Project Based Vouchers. THA received permission through MTW to go above this threshold toward PBVs in projects owned and operated by the agency. THA will maintain the cap in projects not owned or operated by the agency. Below are the percentages of THA's ABA toward both types of PBV subsidy:

PBVs in THA Properties: 12.3%*
PBVs in THA Partner Properties: 5.6%

Together, THA spends roughly eighteen (18) percent of its ABA towards PBVs.

*RAD PBVs are not factored into this calculation as they do not count against the cap.

Modifications to the activity during the plan year: THA does not anticipate any changes to this activity during the Plan year.

Modifications to baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

4. Allow transfers between public housing and voucher waitlists: This activity was proposed and implemented in 2011. THA created transfers to make it easier for families to move to a unit that better meets their needs. The policy combines the public housing transfer list and the list of HCV movers who are having difficulties finding a unit that meets their needs on the private rental market Households on the public housing transfer list can be issued a voucher if there are no units that meet their needs. Voucher holders may be transferred into a public housing unit if they cannot find a unit on the market that meets their needs.

Status Update: The activity has made it easier for reasonable accommodation clients to find units that meet their needs. THA is continuing to look into ways to help clients on our transfer list find units that better meet their needs. Fifteen (15) households transferred between public housing and voucher waitlists in 2015.

Modifications to the activity during the plan year: THA anticipates that this activity will be closed out after the agency's public housing portfolio has been converted to RAD.

Modifications to baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

5. Local Policies for Fixed Income Households: THA proposed and implemented this activity in 2012. THA used local policies to implement rent reform for fixed income households in 2012. This plan applies to households in which all adult members are either elderly or disabled and at least 90% of total household income comes from a fixed source such as social security, SSI, or pension. These households are subject to the following rent policy:

- Complete recertification reviews once every 3 years instead of every year (triennial recertifications) with no "off-year" COLA-related rent adjustments unless interim is triggered
- Eliminate elderly/disabled deduction;
- Eliminate dependent deduction;
- Eliminate medical deductions below $2500 and implement bands
- Implement 28.5% TTP to help offset the elimination in the elderly/disabled deduction and simplification of medical expense allowances.
- Implement a tiered rent model based on adjusted income bands.
- Implement local verification policies as outlined in Activity 7.
- Implement minimum rent of $25 (and therefore eliminate utility allowance reimbursements)

Status Update: The above rent policy allows THA to streamline the process of rent calculations and annual reviews. THA is not running off year reviews. THA has made changes to forms and documents in order to administer the rent reform program successfully. The activity has allowed THA to save staff time because the reviews per year have been cut by over 50% for the activity population. THA is doing triennial reviews for this population. As a result, THA sees roughly $9,000 in agency cost savings and 455 hours in staff time savings.

Modifications to the activity during the plan year: HUD has approved biennial and triennial reviews for any PHA to implement, not just MTW agencies. Since biennial and triennial reviews no longer require MTW flexibility, THA anticipates that it will close out this component of the activity in the 2016 MTW Report.

Modifications to baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

6. Local Policies for Work-Able Households: This activity was proposed and implemented in 2012. Local policies for work-able households are very similar to the fixed income activity with minor differences. THA used this activity to implement rent reform for work-able households. Under this plan work-able households are subject to the following rent policy:

- Complete recertification reviews once every 2 years instead of every year (biennial recertifications) with no "off-year" COLA-related rent adjustments unless interim is triggered.
- Eliminate dependent deduction.
- Eliminate medical deductions below $2500 and implement bands.
- Implement 28.5% TTP to help offset the dependent deduction.
- Implement a tiered rent model based on adjusted income bands.
- Implement local verification policies as outlined in Activity 7.
- Implement minimum rent of $75 (and therefore eliminate utility allowance reimbursements).

Status Update: This above rent policy allows THA to streamline the process of rent calculations and annual reviews. THA is not running off year reviews. THA has made changes to forms and documents in order to administer the rent reform program successfully. THA continues to see staff time and cost savings because of the biennial review schedule. As a result, THA sees roughly $28,000 in agency cost savings and 1,225 hours in staff time savings. Household earned income for this population has also risen from an average of $12,372 in 2011 to $15,873 in 2015. Also in 2015, 453 households had at least one member employed full time and 625 households had at least one member employed part time.

Modifications to the activity during the plan year: As noted above, biennial and triennial reviews no longer require MTW flexibility. THA anticipates that it will close out this component of the activity in the 2016 MTW Report.

Modifications to the baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

7. Local Income and Asset Verification Policy: THA proposed and implemented this activity in 2011. THA implemented the following policies:

- Allow tenants to self-certify assets valued at less than $25,000.
- Disregard income from assets valued at less than $25,000.
- Eliminate earned income disallowance (EID).
- Exclude resident stipends up to $500.
- Accept hand-carried third party verifications and increase number of days verifications are valid up to 180 days.
- Extend the authorization of the HUD 9886 form.
- Accept hand carried verifications.

These changes allowed THA to further streamline inefficient processes and save both staff time while reducing the burden on clients to provide information that made little difference in rent calculation.

Status Update: The activity has been successful and THA has seen 100% time and cost savings most years by no longer having to verify income in the stated cases. THA will give a full report on metrics in the 2016 MTW report.

Modifications to the activity during the plan year: THA key holders are essential to the function of operating THA properties. When THA initially implemented rent reform for the populations residing in its properties, key holders were told that their income from being a key holder would be excluded from their rent calculation. THA does have MTW flexibility to disregard any income from resident stipends but the income earned by key holders is not technically a stipend and THA could not exclude it from rent calculation. This has made it difficult to retain key holders in THA properties. Upon approval of this Plan, THA will exempt earned income from this work from the key holder's rent calculation.

Modifications to the baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

8. Local Interim Policy: THA proposed and implemented this activity in 2011 to streamline the interim review process. THA limited the number of interims a household can have over a period of time. Households also have to meet a 20% threshold before an interim will be processed.

Status Update: THA has found some of the rules of the program are hurting efficiency and are burdensome on residents. Since 2013, THA has not required an interim recertification for income increases if a household has had an interim decrease in between recertifications. THA will keep the 20% rule because it has been the major factor in the reduction of interims processed. THA will no longer require the residents to prove that a job loss will last longer than 90 days before processing a qualifying interim. This requirement has been both an administrative burden and a burden on clients trying to process an interim decrease.

Modifications to the activity during the plan year: Using MTW flexibility, THA has limited the instances in which interim rent increases and reductions are processed. In order for THA to process a rent decrease, the household must experience a twenty (20) percent decrease in income. As an incentive for households to increase their earned income, THA does not process interim increases in income. Given recent HUD streamlined regulations, THA will consider a similar percentage cap on increased income that THA will process. For example, THA would only process increased income if the increase was greater than twenty (20) percent. THA will provide an update on the status of any changes in the 2016 Report.

Modifications to the baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

11. Local Utility Allowance Schedule: THA proposed and implemented this activity in 2011. This activity streamlined the utility allowance credit given to housing choice voucher and public housing clients. Utility allowances varied by building type, bedroom size, and type of fuel/energy used. These variables resulted in numerous possible utility allowance combinations that are difficult to explain to property owners and clients, and often result in methodological misunderstandings. In addition, HUD determined that incorrectly calculated utility allowances are one of the most common rent calculation errors in the country.

The Housing Authority has calculated the average utility allowance currently provided to housing choice voucher and public housing program participants, and revised allowances. The revision provides each household responsible for tenant supplied utilities with the average allowance based upon unit bedroom size. Households have a more simplified explanation of utility allowance benefits and the Housing Authority staff now selects an allowance based only on unit size instead of determining individual allowances for every unit leased.

Status Update: THA continues to see staff time saved each year because of this activity. In 2015, THA saved roughly 260 hours on utility allowance calculations. THA is currently reviewing the assumptions that went into the Utility Allowance model to determine if any changes to the assumptions are necessary based on consumption and usage data.

Modifications to the activity during the plan year: THA does not anticipate any changes to this activity during the Plan year.

Modifications to the baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

12. Local Policy on Port Outs: THA proposed and implemented this activity in 2012. THA put limits on outgoing portability except for households that need to move out of the jurisdiction due to reasonable accommodation, employment, situations covered underneath the Violence Against Women Act (VAWA), and education. THA also allows a family to port-out if the receiving housing authority absorbs the voucher. The policy intends to cut back on the number of invaluable housing dollars leaving Tacoma and to cut back on the burden of administrating port outs while preserving portability in enumerated cases where it would advance important program goals.

Status Update: THA has not made any changes to the activity. The activity has been successful in reducing the total number of port outs each year. In 2015, 154 households ported out of THA's jurisdiction. This is a decrease of 171 households from the baseline of 325 households prior to implementation of this activity in 2011.

Modifications to the activity during the plan year: THA is considering changes to the Housing Choice Voucher program portability policies. Current MTW flexibility allows THA to limit the reasons a household may port out of THA's jurisdiction. For example, households are eligible to port out of THA's jurisdiction if the head of household or spouse has secured part time employment or part time enrollment in a college/university/trade school that is more than 35 miles away. The region THA serves is growing rapidly meaning that commuting times are worsening and people have to travel longer to get to work and/or school. THA may consider lessening or eliminating the mileage restriction from this policy. THA will provide a full update regarding any portability policy changes in the 2016 Report.

Modifications to the baselines and benchmarks during the plan year: THA does not anticipate any changes to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

15. Regional Approach for Special Purpose Housing: THA proposed this activity in 2012 and implemented it in 2013. Under this activity THA has used the competitive funding process established by the local government jurisdiction (Pierce County Consortium) to award THA funds/resources for sponsor based housing. THA has committed MTW dollars to be awarded through the locally established funding cycle. This allows THA to "pool" resources with the local jurisdiction to meet the local needs as prioritized through city and or county planning processes. The pooling of resources has allowed THA to serve homeless and "at risk" of being homeless adults, unaccompanied youth and young adults, and families in the Tacoma/Pierce County area. Without the ability to operate these Local Non-Traditional programs, THA would not be able to serve these households when they need housing assistance the most. THA is using this activity to fund an unaccompanied youth housing program and to add funds to the rapid rehousing program supporting households with children for the area.

Status Update: THA has successfully continued serving households through this activity in 2016. In early 2016, THA and its partner amended the family service contract to allow for the county to use funds towards program operations and supportive services as long as fifty-six (56) percent of the contract funds are used to provide rental assistance. The family service contract is scheduled to increase to one million dollars in 2017. THA is in the process of evaluating cost performance and program performance measures for both contracts to determine the appropriate funding levels for 2017.

In 2016, THA designated one (1) of its Public Housing scattered units to provide shelter to homeless and unaccompanied youth in Tacoma and Pierce County. THA will do this through a partnership with Community Youth Services (CYS) through a state licensed Crisis Residential Center for youth aged 12-17 years. THA has identified the unit that will be designated as the Crisis Residential Center. It falls within a current approved disposition plan and will be reoccupied. The unit will remain in its current disposition approved status in PIC. THA will continue to adhere to the disposition timeframe for which the unit was approved.

The use of this unit as shelter for the aforementioned purpose addresses a growing population in Pierce County of homeless, unaccompanied youth. This unit offers a temporary solution. THA is also seeking a long term, permanent solution through its collaborative partnership with CYS, Amara, the City of Tacoma and Pierce County to build, maintain and operate a Crisis Residential Center and housing on THA's Arlington Drive, a remaining unused parcel in THA's Salishan community, and on THA's Hillsdale Heights property foster homes and an Emergency Sanctuary.

Modifications to the activity during the plan year: THA does not anticipate any changes to this activity during the Plan year.

Modifications to the baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

16. Creation and Preservation of Affordable Housing: This activity was proposed in 2012 and implemented in 2012. This initiative allows THA to use its MTW funds to provide low-income families the opportunity to reside in safe, decent, and sanitary housing while paying affordable rents. The affordable housing units may be any bedroom size and will be located within the City of Tacoma. They may be acquired or created by THA to be rented to families at or below 80% AMI. THA intends to allow eligible low-income families to reside in the units, including those that may be receiving Section 8 rental assistance. This activity falls under PIH Notice 2011-45. The broader uses of funds authority under MTW makes this initiative possible as HCV funds can be used to serve a greater number of families residing within the City of Tacoma. These units may house both families who are MTW Housing Choice Voucher participants and families who are not currently receiving other types of rental assistance.

Status Update: This MTW activity allowed THA to activate its broader uses of funds ability so the agency could spend MTW dollars on the construction and acquisition of affordable housing units. This activity was used in 2012 to help with the development of Bay Terrace, formerly Hillside Terrace. Phase I came online in 2014. Phase II for Bay Terrace is scheduled to come online in 2017 with acquisitions beginning this year. The Bay Terrace units coming online under this activity will be a mix of project based units and affordable units that do not have a subsidy attached. THA will use unrestricted funds to fill any funding gaps in the affordable units that will be in the project.

The development will provide 74 newly constructed units which will be comprised of thirty (30) 1BR, twenty-nine (29) 2BR and fifteen (15) 3BR units serving households with annual incomes between 30% and 60% of AMI. Rents for all of the units at 40% of median income or below will be subsidized with Project Based subsidies provided by THA; the remaining twenty-two (22) units will be unsubsidized tax credit units.

In 2017, THA may use this flexibility to preserve units through the RAD conversion.

THA used MTW dollars to buy the managing member interest at an LIHTC property comprised of 52 units for seniors called New Look in 2015. This property has an additional 22 year tax credit compliance period that extends past the initial compliance period.

The following projects are in THA's Real Estate Development pipeline:

Hilltop Lofts Development

This new development located in the Hilltop neighborhood of Downtown Tacoma and is planned for a 2019 construction completion date. This site at the corner of Martin Luther King Way and Brazill Street is located in the very center of the rapidly changing area. With its close proximity to downtown and the hospitals, its many current and future mass transit options, and the neighborhood's colorful history as an artist community, a multi-family mixed use building would serve as a catalyst for growth and development of Hilltop. It will also help this gentrifying area remain affordable to lower income households.

The 12,000 sf of land is provided by the City of Tacoma. The objective for this site is to provide a 6-story building with a mix of retail and live/work units on the ground floor and workforce housing (60% of adjusted median income in Tacoma) on the five floors above. The residential portion will consist of a 40-60 units with a mix of 1 and 2 bedroom units and shared indoor and outdoor amenity spaces for residents. THA is evaluating the addition of an adjacent property for the potential to increase the number of affordable housing units. Financing would be a combination of THA, local, state and tax credits program sources.

Many Lights Project

This new development is planned to be located on approximately 7 acres of vacant land currently owned by THA. In conjunction with the Many Lights Foundation, the program will serve a multigenerational community where traumatized children receive love and care from kinship and adoptive parents and live in a community with seniors who by living there agree to be respite care givers, honorary grandparents and tutors to the families. There are more 3,100 children in foster care who need a forever family, a record number of elders who want to stay connected, and parents and families who need support to raise these very special children. This development will be built on a foundation of community services in support of the community.

The $25 million project will provide approximately 90 units of affordable housing of which, 52 units of 1 to 4 bedroom units will be dedicated to the multigenerational community. Currently, construction completion is scheduled for year 2020.

Modifications to the activity during the plan year: THA does not anticipate any changes to this activity during the Plan year.

Modifications to the baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

17. Housing Opportunity Program (HOP): THA proposed this activity in the 2013 MTW plan and implemented it in 2013. THA re-proposed HOP in the 2014 plan because of changes to the program that required additional authorizations. These changes included allowing for longer voucher times and flexibility in lease requirements, allowing participants to self-certify their income during the review process and allowing participants to lease up in shared housing units or to rent from relatives. Program requirements were also re-proposed in the 2014 plan. The changes included that applicants must be at or below 50% AMI to qualify, the age of elderly was defined as 57 for HOP only, and that participants will income out once they reach 80% AMI and will receive 90 days of continued assistance.

All new admissions to the tenant-based voucher program receive a HOP subsidy. A HOP subsidy is a fixed subsidy as opposed to a subsidy based on income. That includes senior/disabled households. Work-able households have a five year time limit on their assistance, with provision for time extensions up to three (3) months to address hardships. Senior/disabled households do not have a time limit. HOP households would have annual reexaminations so THA can monitor the earned income and compare it to its other programs. There will be no interim exams allowed in this program. THA will not permit port outs for this program except for domestic violence issues covered by VAWA and Reasonable Accommodations or if the receiving PHA will absorb the voucher. The goal of the program is to help our participants achieve true self sufficiency by assisting them with their housing needs for a specific term and to give other waiting households a turn to receive assistance. An example of the fixed subsidy is below:

SUBSIDY AMOUNT					
Voucher Size (Bedrooms)	1	2	3	4	5
MTW Subsidy Amount (50% of payment standards)	$432	$557	$811	$875	$1,006

Status Update: THA implemented this activity in 2013 and the results of the program have been mixed. THA is in the process of conducting an in-depth analysis to understand how HOP is working. The analysis will seek to answer questions related to whether or not the program has a disparate impact on any protected classes or extremely low-income households. It will also seek to understand the utility of HOP subsidies in Tacoma's rental market by reviewing lease up rates and other rental market data.

Through the use of targeted funding, THA provides a limited number of HOP subsidies to two programs: the College Housing Assistance Program (CAHP) and the Children's Housing Opportunity Program (CHOP). Descriptions of these programs follow:

CHAP: THA partnered with the Tacoma Community College (TCC) where THA provides rental assistance to homeless students at the community college. TCC provides services designed to help the families succeed so they are ready to be independent of housing subsidies after graduation. The program offers the same fixed subsidies as the HOP program and has a three (3) year limit on assistance. Graduates are considered a success and transitioned off of the program with a 30 day notice. The community college handles all eligibility but anyone on the program would have to be an active student at the community college. Students have to continue to stay in college and maintain a 2.0 grade level.

CHOP: THA partnered with the Department DSHS to provide rental assistance to families who need housing to prevent or shorten their child's foster care placement or to house a teenager aging out of foster care who otherwise would begin his or her adulthood as a homeless person. Information on this program has been included in the HOP activity.

Modifications to the activity during the plan year: THA may modify this activity in 2017 depending on the results of the analysis. Any changes would be vetted with households, landlords, households on the waitlist and THA's community stakeholders. If the changes require additional authorizations or if the changes had an impact on tenant rent, this activity would be re-proposed in an amended Plan.

Modifications to the baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

18. Elimination of the 40% Rule: This activity was proposed in the 2013 MTW Plan and implemented in 2013. THA used this activity to waive the 40% cap on the percentage of income spent on rent. Our goal is to allow for maximum resident choice in the voucher program and to substantially increase the participant's ability to understand the program and lease up more quickly. THA has observed that the voucher program has been extremely confusing for participants. Despite using multiple tools to simplify the process, many participants leave the voucher briefing unsure about how to apply the information as they begin their search. As a result, the number of calls THA fields during the lease up process is high. THA wants participants to be confident about their choices in the housing market.

Status Update: THA implemented this activity in 2013. The change has made it easier for clients to understand the leasing program. THA has seen an increase in the number of households that use this flexibility. In 2015, over 500 households spent more than 40% of their income on rent. Full details of how many residents exercise this option in 2016 will be given in the 2016 Report.

Modifications to the activity during the plan year: THA does not anticipate any changes to this activity during the Plan year.

Modifications to the baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

19. Modification of the Family Self Sufficiency Program: This activity was proposed in the 2013 Plan and implemented in 2013. THA modified the way the FSS program handles the escrow payments. THA changed the escrow calculations to simplify the process and to provide clearer motivation and guidelines for participating families.

THA has designed a savings calculation method under which families may qualify for one or more pay points. Pay points will be calculated and credited at the end of the FSS contract term and only if the family provides credible and verifiable documentation that show they qualify for each of the pay point credit types. Below are examples of pay points:

- $2,000 Maintain 32 hours/week employment for a minimum of 6 consecutive months
- $1,000 Complete ESL classes; Levels 1-5, $200 per level
- $100 Receive certificate of successful completion of financial literacy
- $3,000 Complete educational goal such as a GED, degree from an accredited school/college, vocational certificate, etc.

  Maximum escrow credit for achieving educational goals is $3000 per family.
- $500: 0-6 months vocational training certificate
- $750: 7-12 months vocational training certificate
- $1,000: 13-24 months vocational training certificate
- $1,500-Associate degree
- $2,000-Bachelor's degree

Status Update: This activity was successfully implemented in 2013. Clients have reported the escrow is motivating and easier to understand. THA has also seen staff time saved, and the time is now being spent on direct service. In 2015, FSS served 145 households; 7 households graduated from the program and 112 households maintained employment for greater than one year.

Modifications to the activity during the plan year: THA may consider revisions to the pay point schedule in order to ensure that all households participating in FSS are eligible to try to achieve a maximum incentive amount of $8,500. The current pay point schedule, for example, allows one pay point of $1,000 for participants completing five levels of ESL. Not all participants require ESL, which limits their maximum pay point potential. THA may consider offering an equivalent pay point for households who do not require ESL. Pay point revisions will be made with recommendations from current and interested participants, and will include alignment with other Client Services programming, including the Children's Savings Account Program and financial capabilities services offered by the Sound Outreach Empowerment Counselor.

Modifications to the baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

20. MTW Seed Grants: This activity was proposed in 2013 and implemented in 2013. THA proposed this activity so, if needed, the agency could provide seed grants to partner service agencies to increase capacity to serve THA households. The grants would be specific to helping work-able households increase earned income and become self-sufficient.

Status Update: THA used this activity to provide three (3) job skills and soft skills trainings for work-able households in 2013. In THA's 2014 MTW Report, this activity was moved to the "on hold" section of the report because it was not used in 2014. THA does not have specific goals for this activity in 2016 but would like to keep it in the implemented section of the plan in case an opportunity to leverage a partnership through the use of a seed grant arises. THA will report any use of this activity in its 2015 and 2016 Reports, otherwise, the activity will be marked as "on hold" if it is not used.

Modifications to the activity during the plan year: THA does not anticipate any changes to this activity during the Plan year.

Modifications to the baselines or benchmarks during the plan year: THA has worked with HUD to implement new standard metrics for this activity and does not anticipate any changes to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

21. Children's Savings Account (formerly Local Asset Building Activity): This activity was proposed in the 2014 MTW plan and implemented in the fall of 2015. THA offers children's savings accounts (CSAs) to the children of New Salishan from kindergarten through high school. The program is aimed at developing a savings habit among students and their families and improving academic achievement, graduation rates, college preparation and enrollment. New Salishan is THA's largest community. It is a HOPE VI redevelopment that created a mixed-income community of 1,350 renter and homeowner households on an award-winning design.

THA's CSA Program contains following elements:

Elementary School Stage: When a Salishan student enrolls in elementary school, THA will open a savings account in his or her name. THA will remain the account custodian. THA will make an initial $50 deposit into the account. THA will match the family's deposit into the account up to $400 per year. This match will continue through 5th grade.

Middle School through High School Stage: When students reach 6th grade the match stops. Instead the student and a counselor will devise a plan with milestones from then until high school graduation and enrollment in college. *E.g,*: improved attendance; improved Grade Point Average; enrolling in the College Bound Scholarship Program; taking the PSAT, SAT and ACT; taking college preparatory courses; applying to college; filling out the FAFSA; getting into college; graduating from high school, and starting college. Upon the student reaching each milestone, THA will deposit more money into the account up to $700 per year.

An example of pay points is on the following page.

Proposed Menu of Incentives for 6th grade Students

	1ST SEMESTER	2ND SEMESTER	VALUE
ATTENDANCE	Maintain perfect attendance	Maintain perfect attendance	$150.00
	Less than 5 full day absences with zero unexcused	Less than 5 full day absences with zero unexcused	$100.00
ACADEMIC PREPARATION	Organization Skills	Organization Skills	$100.00
	Time Management	Time Management	
GPA	Maintain a cumulative G.P.A of 3.7 or better	Maintain a cumulative G.P.A of 3.7 or better	$200.00
	Maintain a cumulative G.P.A of 2.7-3.6	Maintain a cumulative G.P.A of 2.7-3.6	$150.00
	Maintain a cumulative G.P.A of 2.0-2.6	Maintain a cumulative G.P.A of 2.0-2.6	$100.00
EXTRACURRICULAR ACTIVITY	Participate in a college prep program, sport or club at your school	Participate in a college prep program, sport or club at your school	$60.00
FINANCIAL LITERACY	Complete Junior Achievement Curriculum		$60.00
EXPLORING CAREERS	TBD	TBD	$30.00
COMMUNITY SERVICE	TBD	TBD	$25.00
BACK TO SCHOOL BONUS	Back to school bonus opportunities are designed to keep you engaged with your success plan over the summer. Details about the opportunity will be sent to households in the spring.		$75.00
Maximum Payment Total			$700.00

When fully in place, these two programs will serve 760 children in cohorts covering 13 grades.

Experience and research strongly suggest that even modest balances in such accounts greatly increase the prospects that a student will attend college. For this reason, THA undertakes these efforts as part of its Education Project.

THA plans this effort in collaboration with Tacoma Public Schools (TPS), Corporation for Enterprise Development (CFED), Heritage Ank, initial funding from the Bill & Melinda Gates Foundation, CFED, the Bamford Foundation, Heritage Bank, other funders,and the collaboration of banking and social service partners in Tacoma. Further funding will determine the scope and schedule for this initiative.

Status Update: THA launched the program in the fall of 2015. Thirty-nine (39) households are currently enrolled in the program. The average amount of savings in those accounts $100. THA will provide a full update on this activity in its 2016 Report.

Modification to the activity during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

24. Local Security and Utility Deposit Program: This activity was proposed in the 2014 MTW plan and was implemented January 2016. The activity is a security deposit assistance program that would be open to THA applicants in its Tacoma Public Schools Special Housing Project, its College Housing Assistance Program, and any of THA's affordable housing applicants/residents who are in need of assistance in order to move into a unit. THA realizes it is very difficult when a household comes to the top of a waitlist and it does not have the resources to pay the security deposit. This program ensures that families in need can afford to move into the unit when their name is called and will reduce the number of unit turndowns THA receives.

Status Update: Since January, a total of 6 households have been assisted, with 3 more pending; for a total of $4,778. In addition, THA is expecting an expansion of its Tacoma Public Schools Special Housing Project that should utilize a significant amount of the remaining budget.

Modifications to the activity during the plan year: THA does not anticipate any changes to this activity during the Plan year.

Modifications to the baselines or benchmarks during the plan year: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Additional Authorizations: THA does not anticipate additional authorizations for this activity during the Plan year.

B. Not Yet Implemented:

10. Special Program Vouchers:

Implementation Description: This activity was proposed in 2011 but not yet implemented. The initial idea was to establish a Special Program Voucher program similar to the project-based voucher program. Vouchers were to be awarded to service partners for a special purpose or a special program. The service partners would be responsible for designing the program. This includes selecting households for the program, establishing program guidelines and eligibility criteria, length of time a household would be eligible for a voucher, level of assistance provided to each household, etc. THA would then oversee the administration of these vouchers through an annual reporting and/or audit process.

Status Update: This activity was proposed before HUD issued guidance on local non-traditional programs. THA now proposes any new activity that is not directly operated by our agency as a separate local non-traditional program activity. No activities are being operated under this activity as of now. There is not a timeline in place to use this activity.

Modifications to the activity since approval: THA does not anticipate any changes to this activity during the Plan year.

22. Exclude Excess Income from Financial Aid for Students:

Implementation Description: This activity was proposed in the 2014 MTW plan and has not yet been implemented. The purpose of the activity is to further encourage self-sufficiency among participants and streamline administrative processes; THA will modify the administration of the full-time student deduction by excluding 100 percent of a student's financial aid.

Status Update: THA will implement this activity upon conversion to its new software system. Current system constraints have made implementation difficult. THA tentatively expects the new software to be up and running by mid next-year. THA will provide full details on this activity in the 2016 Report if the activity is implemented.

Modifications to the activity since approval: THA does not anticipate any changes to this activity during the Plan year.

C. On Hold Activities: N/A

D. Closed Out Activities:

9. Modified Housing Choice Voucher Activity: THA proposed this activity in 2011 and has yet to implement it. The activity proposed to modify the annual inspection process to allow for biennial inspections of qualifying HCV units (instead of yearly). Since HUD guidance was released on biennial inspections allowing any PHA to perform them, this activity was closed out in 2015.

13. Local Blended Subsidy: THA proposed this activity in 2012 but has not implemented it. The activity was created so that THA could create a local blended subsidy (LBS) at existing and, if available, at new or rehabilitated units. The LBS program would use a blend of MTW Section 8 and public housing funds to subsidize units reserved for families earning 80 percent or below of area median income. Because of the complicated nature of this activity, THA has not implemented it. THA has been approved for a RAD conversion in 2014/2015 which caused this activity to be closed out in 2015. The units may be new, rehabilitated, or existing housing. The activity is meant to increase the number of households served and to bring public housing units off of the shelf.

14. Special Purpose Housing: THA proposed this activity in 2012 and has not implemented it. The activity was meant to utilize public housing units to provide special purpose housing, and improve quality of services or features for targeted populations. In partnership with agencies that provide social services, THA would make affordable housing available to households that would not be admitted to traditional public housing units. With this program, THA would sign a lease with partner agencies to use public housing units both for service-enriched transitional/short-term housing and for office space for community activities and service delivery. The ability to designate public housing units for specific purposes and populations allows units to target populations with specific service and housing needs and specific purposes, such as homeless teens and young adults. Because of the RAD conversion, THA closed this activity in 2015.

Section V: Sources and Uses

A. Sources and Uses of MTW Funds

Estimated Sources of MTW Funding for the Fiscal Year		
PHAs shall provide the estimated sources and amount of MTW funding for the Fiscal Year		
SOURCES		
FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	$ 49,000.00
70600	HUD PHA Operating Grants	$ 40,578,000.00
70610	Capital Grants	$ -
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	$ 2,622,000.00
71100+72000	Interest Income	$ 27,000.00
71600	Gain or Loss on Sale of Capital Assets	$ -
71200+71300+71310+71400+71500	Other Income	$ 80,000.00
70000	Total Revenue	$ 43,356,000.00

Estimated Uses of MTW Funding for the Fiscal Year		
PHAs shall provide the estimated uses and amount of MTW funding for the Fiscal Year		
USES		
FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	$ 8,492,000.00
91300+91310+92000	Management Fee Expense	$ 1,506,000.00
91810	Allocated Overhead	$ -
92500 (92100+92200+92300+92400)	Total Tenant Services	$ 761,000.00
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	$ 61,000.00
93500+93700	Labor	$ 76,000.00
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	$ 112,000.00
95000 (95100+95200+95300+95500)	Total Protective Services	$ 11,000.00
96100 (96110+96120+96130+96140)	Total Insurance Premiums	$ 97,000.00
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	$ 1,160,000.00
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	$ -
97100+97200	Total Extraordinary Maintenance	$ -
97300+97350	Housing Assistance Payments + HAP Portability-In	$ 33,257,000.00
97400	Depreciation Expense	$ 300,000.00
97500+97600+97700+97800	All Other Expenses	$ -
90000	Total Expenses	$ 45,833,000.00[1]

[1] THA will cover the projected $2,477,000 shortfall between the expected sources and uses by using both federal and non-federal reserves.

Describe the Activities that Will Use Only MTW Single Flexibility
THA uses this single funding source to fund the Housing Choice Voucher programs in order to carry out the mission of the MTW Demonstration Program through activities that would otherwise be eligible under sections 8 and 9 of the 1937 Act. Below are listed some of the specific ways in which THA plans to exercise the Single-Fund Flexibility: **• THA is making changes to relieve the administrative burden on both the agency and the tenants by creating a more streamlined approach to both the certification process and inspections. THA intends its processes to be less intrusive on people with fixed incomes such as the elderly and disabled, and to relieve families from some of the more burdensome requirements of annual certification. The new certification cycle started in 2013.** **• THA is focusing on housing, employment-related services, and other case management activities that will move families towards self-sufficiency. Its Community Services area also assists tenants that are facing challenges in successful tenancy.** **• THA is going into the sixth year of its Education program. It has various elements and initiatives. One has THA providing rental assistance to homeless households with children who attend a school with an exceptionally high level of turnover to help stabilize the student population. THA believes this approach will help to improve educational out-comes, add stability to the neighborhood, and create a better learning environment for the community as a whole.** **• THA is adjusting administrative staff as necessary to ensure that activities are in line with the agreement. THA is in the midst of making necessary technological enhancements that will benefit the organization and the residents.** **• THA is analyzing its administrative overhead and charge expenses directly to the programs whenever possible. The agency is charging administrative or previously allocated costs to a Program Support Center for each of its three activity areas as identified in the Local Asset Management Plan, along with a Community Services Central fund to track expenses associated with those functions.** **• THA wrote an activity in its 2012 amended plan that allows the agency to activate the single fund flexibility and to spend MTW money on the development, and preservation of affordable housing.** **• THA is partnering with local agencies in the community to create local non-traditional housing programs. The programs are funded by THA but run by partnering agencies in the community.**

B. Local Asset Management Plan

Is the PHA allocating costs within statute?		or	No
Is the PHA implementing a local asset management plan (LAMP)?	Yes	or	

If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?	Yes	or	

There were no major changes in the LAMP between 2016 and 2017. An updated LAMP may be provided in the 2018 MTW Plan.

Section VI: Administrative

VI.A: Board Resolution and Certification of Compliance

TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (2)

Date: September 28, 2016

To: Board of Commissioners

From: Michael Mirra
Executive Director

Re: Approval of THA's 2017 Moving to Work Plan

This resolution would authorize the Executive Director to submit to HUD THA's Fiscal Year 2017 Moving to Work (MTW) Plan. The Plan proposes no new initiatives and a revision to an existing activity.

Background

Each year, Tacoma Housing Authority (THA) proposes new MTW activities intended to meet the statutory goals of the MTW program:

- Reduce costs and achieve greater cost effectiveness in federal expenditures;
- Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- Increase housing choices for low-income families.

MTW "activities" are best described as new things THA wishes to do that require waiving Housing and Urban Development (HUD) regulations. Staff has gone through a community and staff consultation. This year THA is not proposing any activities for FY2017. It does propose a revision to an existing activity.

This year, Sheryl Stansell met with each department director and executive staff to understand the agency's MTW needs and priorities. She consulted with the staff of Rental Assistance, Property Management and Community Services teams. Results of the consultation process informed which new activity ideas and/or revisions to existing activities would be included in the MTW Planning memo to THA's Cabinet for inclusion in the 2017 planning process.

While many of staff's suggestions would not require further MTW flexibility, staff voiced the desire to take another look at many of THA's existing activities and their policy implications. Examples include portability policies, when THA will and will not process rent reductions based on interim income changes, the Housing Opportunity Program payment standard amount and the Family Self-Sufficiency program pay points. Revisions to these policies will require further research. Staff does not propose any such revisions this year. Each policy will be evaluated separately. The Board should expect to see proposals on any revisions to these policies in the coming months.

New activities were suggested from executive leadership but the proposed plan does not include them because staff does not have the time to conduct the research necessary to deploy such programs. This includes an expansion of the College Housing Assistance Program and the development of a rental assistance program for formerly incarcerated individuals. We will work on both of these programs in 2017. If MTW authority is necessary for either of these programs, THA may submit an MTW plan amendment in 2017.

2017 MTW Plan

The 2017 MTW Plan does not include any new activities but does include one revision to an existing activity. The revision is to the "Local Income and Verification Policies" activity.

THA key holders are essential to the proper functioning of THA's properties. They provide a reassuring and very useful presence and supervision to each senior building. THA pays each key holder a wage. When THA initially implemented rent reform for the populations residing in its properties, we told key holders that we would exclude their key holder wage from their rent calculation. This turned out to be more complicated than we thought. THA does have MTW flexibility to disregard any income from resident stipends but the income earned by key holders is not technically a stipend. We could not exclude it from the rent calculation without a further change to the MTW plan. In this proposed plan, we would make that change to exempt earned income from the key holder's rent calculation. This will make the Key Holder position more appealing to residents.

Any changes to the MTW Plan that are approved by the board and HUD will be updated in THA's Administrative Plan.

The draft plan can be viewed by following this link: http://tacomahousing.net/content/moving-work-0

Community and Staff Consultation

During the planning process, there has been staff input and attempts to consult the community. Staff brainstorming sessions were held and recommendations for the FY 2017 Plan were submitted to the Cabinet. After receiving approval from the cabinet to go through the public hearing process, THA has taken the following actions to receive feedback:

- Executive leadership consultation.
- Staff planning sessions.
- Public comment notice and draft MTW Plan made available on THA's website.
- Public Hearing for current residents and all interested parties on August 31st.

No public comments were received during the public comment period.

Recommendation

Authorize THA's Executive Director to submit the Housing Authority of the City of Tacoma's Fiscal Year 2017 Moving to Work (MTW) Plan.

RESOLUTION 2016-9-28 (2)

Certifications of Compliance

Annual Moving to Work Plan Certifications of Compliance

U.S. Department of Housing and Urban Development, Office of Public and Indian Housing

Certifications of Compliance with Regulations:
Board Resolution to Accompany the Annual Moving to Work Plan*

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning 2017, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.

2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.

3. The PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.

4. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.

5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.

6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.

7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local

7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.

8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.

9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.

10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.

11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.

12. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).

15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.

16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.

17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.

18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).

20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.

21. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Housing Authority of the City of Tacoma WA005
PHA Name **PHA Number/HA Code**

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Arthur Banks — Chair
Name of Authorized Official — **Title**

Signature — Date 9/28/16

*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.

VI:B: Public Hearing Notice and Evidence of Community and Resident Communication:

The following notice was posted on THA's website as a companion to the draft MTW Plan. In total, zero (0) people attended the public hearing.

Notice of Public Comment Period and Public Hearing

The Tacoma Housing Authority (THA) will open the public comment period for the 2017 Moving to Work (MTW) Plan and the associated changes to the Administrative Plan.

Residents, program participants, landlords, those on the waitlist and members of the public may submit comments on the proposed changes. The 30-day comment period begins on August 8, 2016 (8:00 a.m.) and ends September 8, 2016 (5:00 p.m.); all comments must be received by 5:00 p.m. on September 8, 2016.

The draft plan can be viewed at: http://www.tacomahousing.net/content/moving-work-0

It is titled **"2017 DRAFT Moving to Work Plan"**

Mail, Email or Call-in Comments To:
Tacoma Housing Authority
Sheryl Stansell
902 S. L Street
Tacoma, WA 98405
sstansell@tacomahousing.org
(253) 448-2795

THA will hold one public comment hearing to receive both oral and written comments on the proposed amendment. This hearing is not an appointment. It is not mandatory that you attend. The date, time, and location of the hearing are provided below:

Date: August 31, 2016
Time: 6 p.m.
Location: Bay Terrace Community Center
2550 South G St.
Tacoma, WA 98404

Please attend to offer your views on the following item:

2017 MTW Plan: THA key holders are essential to the function of operating THA properties. THA may exclude any income from resident stipends. The income earned by key holders is not a stipend. This has made it difficult to retain key holders in THA properties. THA proposes to exclude earned income from this work from the key holder's rent calculation.

Please call Sheryl Stansell at (253) 448-2795 if you need any reasonable accommodations or interpreters.

VI:C: Description of any planned or ongoing PHA directed evaluations of the demonstration for the overall MTW program or any specific MTW activities, if applicable:

- McCarver Evaluation: Geo Education Research is currently working on the fifth year evaluation of the McCarver Program (Tacoma Public Schools Housing Assistance Program). THA will provide a full fifth year report in the 2016 MTW Report.

- Children's Savings Account Evaluation: THA has selected the Urban Institute as a third party evaluator for the Children's Savings Account program. The evaluation will monitor THA's progress toward implementing the program. It will also strive to measure THA's performance against the desired program outcomes for students and families in short, intermediate and long term intervals.

VI.D: Capital Funds Documents: Electronic copies will be submitted in a separate email because of HUD mailbox limitations.

APPENDICES

Appendix A: Letter of Consistency

Appendix B: RHF Plan

Appendix C: Local Asset Management Plan

Appendix A: Letter of Consistency

City of Tacoma
Community and Economic Development Department

September 14, 2016

Sheryl Stansell, Analyst
Tacoma Housing Authority
902 South L
Tacoma WA 98405

RE: Consistency with City of Tacoma's Consolidated Plan
THA's Moving to Work Plan

Dear Sheryl:

You requested a determination of consistency with the City of Tacoma's *Consolidated Plan* and support for your proposed Moving to Work (MTW) Annual Plan for 2017. This plan would continue the Tacoma Housing Authority's (THA) initiatives, including creatively working with a regional approach to address housing needs for homeless youth and to partner with local non-profits to create a one-stop resource center for families to address economic stabilization for these families. THA will continue utilize the flexibility offered under the Moving to Work program to service more households, including households that cannot access rental assistance through traditional means. Through their use of project-based vouchers, THA has been an invaluable partner in the development of affordable housing opportunities allowing for deeper subsidies in these projects to serve the lower income households.

This proposal is consistent with the City of Tacoma's *Consolidated Plan for Housing and Community Development 2015-2019*. This plan is dated May 5, 2015 and was approved by the U.S. Department of Housing & Urban Development (HUD) on July 22, 2015. It is the implementation document for the City's *Comprehensive Plan* and is administered by the City's Housing Division of the Community & Economic Development Department. Specifically, the *Consolidated Plan* places a high priority on not only preserving affordable housing opportunities, but also improving the quality of the housing available to low-income households.

If you have any additional questions or require additional information, please contact Cathy Morton at 253-591-5763, or via e-mail at cmorton@cityoftacoma.org.

Sincerely,

Martha Anderson
Assistant Director

747 Market Street, Room 900 ⌘ Tacoma, Washington 98402-3793 ⌘ (253) 591-5364
http://www.cityoftacoma.org

Appendix B: RHF Plan

THA has received first increment RHF funds as a result of the disposition of 512 public housing units at the Salishan site, 104 units at Hillside Terrace 2500/1800 blocks and 38 PH units at Hillside Terrace 2300 Block. THA began receiving the first increment of RHF funds in 2004. THA is utilizing a portion of these funds to repay a Capital Funding Financing Plan Bond that was used to assist with the financing of the rebuilding of the Salishan neighborhood. THA plans to utilize the remaining RHF funds pursuant to Option 3 of THA's MTW Agreement. THA intends to combine RHF funds into the MTW Block Grant. THA intends to accumulate the RHF grants for up to five years, and be eligible for the second increment of RHF funds. THA will use RHF funds on affordable housing.

The subject grants are:

Grant Number	Amount	Project-Increment
WA19R005501-10	$1,337,436	Salishan (198 units) Year 5 out of 5 Salishan (29 units) Year 3 out of 5 Salishan (191 units) Year 3 out of 5 Salishan (37 units) Year 3 out of 5 Salishan(57 units) Year 1 out of 5
WA19R005501-11	$734,132	Salishan (29 units) Year 4 out of 5 Salishan (191 units) Year 4 out of 5 Salishan (37 units) Year 4 out of 5 Salishan(57 units) Year 2 out of 5
WA19R005501-12	(Estimated) $659,086	Salishan (29 units) Year 5 out of 5 Salishan (191 units) Year 5 out of 5 Salishan (37 units) Year 5 out of 5 Salishan(57 units) Year 3 out of 5
WA19R005501-13	(Estimated) $119,643	Salishan(57 units) Year 4 out of 5
WA19R005501-14	(Estimated) $337,939	Salishan(57 units) Year 5 out of 5 Hillside Terrace 2500/1800 (104 units) Year 1 out of 5
WA19R005501-15	(Estimated) $218,296	Hillside Terrace 2500/1800 (104 units) Year 2 out of 5
WA19R005501-16	(Estimated) $218,296	Hillside Terrace 2500/1800 (104 units) Year 3 out of 5
WA19R005501-17	(Estimated) $218,296	Hillside Terrace 2500/1800 (104 units) Year 4 out of 5
WA19R005501-17	(Estimated) $218,296	Hillside Terrace 2500/1800 (104 units) Year 5 out of 5
1st Increment before deductions	$4,061,420	
Minus CFFP Bond Payment	$1,082,341	
Final Total 1st Increment	$2,979,079	

This funding will be used to fill gaps in financing as needed to develop affordable housing units at the in Tacoma, Washington. THA will ensure that the requisite number of affordable housing units required under the "Proportionality Test" will be developed.

It is THA's understanding from the information posted on the HUD Capital Fund webpage that the obligation end date for these funds will be October 2016 and the disbursement date will be October 2018.

Second Increment Funding

THA has received second increment Replacement Housing Factor (RHF) funds as a result of the disposition of 38 public housing units at Hillside Terrace 2300 Block and 512 public housing units at Salishan. THA plans to utilize these RHF funds pursuant to Option 3 of THA's MTW Agreement. THA intends to combine RHF funds into the MTW Block Grant. THA intends to accumulate the RHF grants for up to five years. The RHF funds will be used on affordable housing.

The subject grants are:

Grant Number	Amount	Project-Increment
WA19R005502-10	$99,262.84	Hillside Terrace (14 units) Year 2 out of 5 Hillside Terrace (24 units)Year 1 out of 5
WA19R005502-11	$551,768	Hillside Terrace (14 units) Year 3 out of 5 Hillside Terrace (24 units)Year 2 out of 5 Salishan (198 units) Year 1 out of 5
WA19R005502-12	$495,364	Hillside Terrace (14 units) Year 4 out of 5 Hillside Terrace (24 units)Year 3 out of 5 Salishan (198 units) Year 2 out of 5
WA19R005502-13	(Estimate) $1,034,807	Hillside Terrace (14 units) Year 5 out of 5 Hillside Terrace (24 units)Year 4 out of 5 Salishan (198 units) Year 3 out of 5 Salishan (29 units) Year 1 out of 5 Salishan (191 units) Year 1 out of 5 Salishan (37 units) Year 1 out of 5
WA19R005502-14	(Estimate) $1,005,421	Hillside Terrace (24 units)Year 5 out of 5 Salishan (198 units) Year 4 out of 5 Salishan (29 units) year 2 out of 5 Salishan (191 units) Year 2 out of 5 Salishan (37 units) Year 2 out of 5
WA19R005502-15	(Estimate) $1,074,688	Salishan (198 units) Year 5 out of 5 Salishan (29 units) Year 3 out of 5 Salishan (191 units) Year 3 out of 5 Salishan (37 units) Year 3 out of 5 Salishan (57 units) Year 1 out of 5
WA19R005502-16	(Estimate) $659,086	Salishan (29 units) Year 4 out of 5 Salishan (191 units) Year 4 out of 5 Salishan (37 units) Year 4 out of 5 Salishan (57 units) Year 2 out of 5
WA19R005502-17	(Estimate) $659,086	Salishan (29 units) Year 5 out of 5 Salishan (191 units) Year 5 out of 5 Salishan (37 units) Year 5 out of 5 Salishan (57 units) year 3 out of 5
WA19R005502-18	(Estimate) $119,643	Salishan (57 units) Year 4 out of 5
WA19R005502-19	(Estimate) $119,643	Salishan (57 units) Year 5 out of 5
2nd Increment before deductions	$5,818,762.00	
Minus CFFP Bond Payment	$2,015,062	
Final Total 2nd Increment	$3,803,700.	

THA will ensure that the requisite number of affordable housing units required under the "Proportionality test" will be developed.

It is THA's understanding from the information posted on the HUD Capital Fund webpage that the obligation end date for grant numbers WA19R005502-10 through WA19R005502-14 is October 2016. The disbursement end date will be October 2018. The obligation end date for grant numbers WA19R005502-15 through WA19R005502-19 is October 2021. The disbursement end date will be October 2023. THA will develop new units in accordance with the requirements found in THA's MTW Agreement and will meet the newly established obligation and disbursement deadlines

THA confirms its RHF Amendment was submitted to HUD on March 1st 2012. THA is in compliance with the obligation and expenditure deadlines on all of its Capital Fund Grants and is current on its LOCCS reporting. THA understands that it must obtain a firm commitment of substantial additional funds other than public housing funds to meet the leverage requirement. When the leveraged funds are secured, THA will submit written documentation confirming the funding.

APPENDIX C: LOCAL ASSET MANAGEMENT PLAN

A. Background and Introduction

The First Amendment to the Amended and Restated Moving to Work Agreement authorize Tacoma Housing Authority (THA) to design and implement a Local Asset Management Program (LAMP) for its Public Housing Program and describe this program in its Annual MTW Implementation Plan. The term "Public Housing Program" means the operation of properties owned or units in mixed-income communities subsidized under Section 9 of the U.S. Housing Act of 1937, as amended ("1937 Act") by the Agency that are required by the 1937 Act to be subject to a public housing declaration of trust in favor of HUD. The Agency's LAMP shall include a description of how it is implementing project-based property management, budgeting, accounting, and financial management and any deviations from HUD's asset management requirements. Further, the plan describes its cost accounting plan as part of its LAMP, and in doing so it covers the method for accounting for direct and indirect costs for the Section 8 Program as well.

In 2012, THA changed the structure of property management operations in order to achieve greater efficiencies. The new structure is described in Section C below. Since 2007, THA has operated using project-based budgeting with on-site administrative and maintenance personnel responsible for the majority of the tasks associated with managing the properties. THA will modify somewhat the cost approach as described in the previous year's LAMP. This cost approach continues to eliminate all current allocations and book all indirect revenues and expenses to a Program Support Center and then charges fees to the programs and properties as appropriate.

B. Guiding Principles

The City of Tacoma established the Tacoma Housing Authority under State of Washington enabling legislation in 1940 through resolution. The resolution states that the City formed the Housing Authority to address a "shortage of safe and sanitary dwelling accommodations in the City of Tacoma, Washington available to persons of low-income at rentals they can afford." Since then, THA has strived to meet the ever-increasing demands for low-income housing in the Tacoma area. With acceptance into the Moving to Work (MTW) program in 2010, THA took on three additional statutory objectives that further define the Agency's role on both a local and a national scale. THA is required to keep these objectives in mind through the development of each activity related to MTW, including the development of the LAMP. The three statutory objectives are: 1) reduce cost and achieve greater cost effectiveness in Federal expenditures; 2) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and 3) increase housing choices for low-income families [Section 204(a) of the 1996 Appropriations Act].

C. Description of Asset-Based Operations

Overview of Organizational Structure

THA's Property Management Department is responsible for the day-to-day operations of THA's portfolio and the Administration Department is responsible for Asset Management and compliance. The chart below shows this relationship and the positions responsible for these management functions.

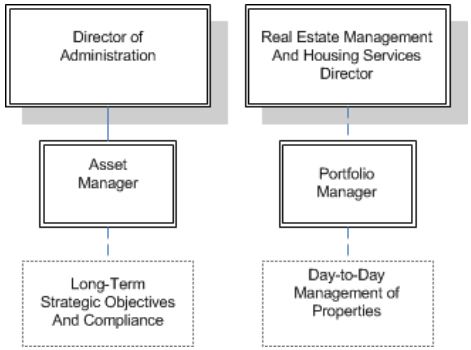

Figure 1: Organizational Structure

Description of 2015 Plan

THA's 2011 LAMP described a distinction between the method in which it managed its "conventional" AMPs and the Salishan portfolio. THA decided to manage these areas differently in order to capitalize on the efficiencies of managing Salishan as a larger property.
THA restructured its entire portfolio in 2012 in order to achieve the operational efficiencies desired in Salishan. Rather than managing different types of properties in the same AMP, THA changed its management groupings into Elderly/Disabled properties and Family properties. The agency has already grouped its Salishan properties into a centralized management group rather than managing seven Salishan properties as separate entities. THA has made the same conversion for its Hillside Terrace properties. A Portfolio Manager oversees all of THA's managed properties, including Public Housing, Local Fund, and Tax Credit Properties. The chart below shows this management structure.

Asset and Compliance Management

While the Property Management Department oversees the day-to-day operations of the properties, THA's Asset Management and Compliance Division oversees the long-term strategic objectives of the properties. Having an Asset Management and Compliance Division enables THA to effectively plan for the future, ensure compliance with Local and HUD regulations, and keep the agency's strategic objectives at the forefront when making both operational and strategic decisions. Included within the scope of this division are the following responsibilities:

- Risk Management
- Compliance (file audits, PIC, finding resolution)
- Budget Oversight
- Financial Reporting and Modeling
- Capital Needs Assessment
- AMP Performance Review
- Strategic Planning
- Policy Development and Implementation
- AMP Procurement Regulation

Project-Level Reporting

THA instituted project-based budgeting and accounting practices in 2007. In 2008, THA Finance staff developed systems and reports to facilitate the onsite management of budgets, expenses, rent collection and receivables, and purchasing; in 2009 the Asset Management division developed reports and financial models to analyze all properties at the project level.

Maintenance Operations

In accordance with HUD Asset Management guidance, THA instituted a decentralized maintenance program in 2008. During 2011, THA realized efficiencies in the maintenance of its Salishan properties by assigning maintenance personnel to the entire Salishan portfolio, rather than each of the individual projects. In 2012, the agency changed its model to apply these efficiencies to the rest of its portfolio, wherever possible. In the new model, there are two separate teams of maintenance personnel, one that is centralized and one that is based at a specific grouping of properties. During 2014, THA changed the model again in order to gain more efficiencies in Maintenance Operations.

During 2014, THA eliminated the centralized maintenance team concept, and re-assigned the entire maintenance staff to fall under the purview of the Maintenance Supervisor. We now have 4 zones that are staffed based on geographical location, with each zone having a maintenance lead to both direct, oversee, and assist in ensuring the team is meeting its objectives in completion of the maintenance work. The administrative time for staff will be charged out on as an allocation based on the projects in the zone they are located, while the time worked performed in a unit will be charged directly to the project the unit is located. If necessary, a team member from one zone can be assigned to work on a unit in a different zone. That time will be charged to the property the unit is located.

Acquisition of Goods

THA has been operating under a decentralized purchasing model for the acquisition of goods. We are going to a more hybrid method where goods are primarily ordered by site staff for unit turns. We have hired a supply chain analyst to assist with distribution of supplies and ensuring that goods are available to move forward on both unit turns and work orders without disruption to the sites. THA is in the process of making that transition and will monitor its success.

Acquisition of Services

While the acquisition of goods is decentralized, the agency has adopted a hybrid approach to the acquisition of its services. Centralized duties include the oversight of the contract needs of the sites, management of the bid process, vendor communication, and contract compliance. The sites are responsible for scheduling work, approving invoices, working with the centralized staff to define scopes of work, and ensuring the work is done properly.

D. Strategic Asset Planning

THA's Asset Management Committee

In 2010, THA formed an Asset Management Committee consisting of key members from the following functional areas in the agency: Finance, Asset Management and Compliance, Property Management, Community Services and Real Estate Development. The committee meets on a routine basis. The standing agenda includes reviewing operational costs at each site, investigating large cost variances between the AMPs, analyzing property performance metrics, and comparing cost data and operational data to industry standards. THA also uses financial models to compare our metrics to properties managed by private firms. The committee also considers any policy changes having a potential impact on the operation of its properties and decisions regarding property acquisition and disposition. Some examples of policy changes discussed here include adoption of a smoke-free policy and changes to THA's current rent policy and occupancy standards.

The overall purpose of the committee is to ensure that THA makes decisions in a way that fosters appropriate communication between the major functional areas concerned with Asset Management and address related issues and concerns from a holistic perspective.

The cost approach developed by THA as described in the next section of this LAMP allows this committee and others in the agency to make informed decisions concerning the agency's portfolio. The cost approach will clearly show which areas of the agency cost the most to run and which provide the most value to the mission of the agency.

E. Cost Approach

THA's current cost approach is to charge all direct costs related to day-to-day operations to the specific project or program fund and to charge all indirect costs to a central fund (see "Program Support Center" below). The PSC would then earn fees that they charge to the programs they support. Community Service expenses that benefit THA's Affordable Housing properties will be charged out to a direct grant or the Moving to Work program. For purposes of this Cost Approach, the term project refers to any property or AMP that THA manages and the term program refers to the Rental Assistance and Moving to Work programs administered by THA.

THA developed this approach for the following reasons:

1. It allows the agency to easily see the costs directly related to the day-to-day operations of a project or program and determine whether the management of that cost center can support itself. Staff managing the programs and properties will be able to easily discern all related administrative and shared costs. Managers will negotiate if costs are determined unreasonable or if the AMP or program cannot support the proposed fees.

2. One of the goals of the MTW program is to increase administrative efficiency. By charging these costs out as a fee, it will be easier in the future to identify the administrative efficiencies at the program/project level and the indirect costs that support them.

Activity Areas

THA created three separate activity areas in order to track what it costs the agency to support different types of activities in which the agency engages. The three activity areas are:

- Conventional Affordable Housing (MTW)
- Tax Credit Management (MTW)
- Business Activities (Non-MTW)

THA decided to separate MTW activities into Conventional Affordable Housing and Tax Credit Management in order to tell how much it costs to manage its Tax Credit Portfolio versus its other affordable housing programs, including Public Housing and Local Fund Properties. THA considers any other activities as Non-MTW activities and the revenues and expenses fall under the Business Activity area.

Program Support Center

Each of the three activity areas (Business Activities, CAH Activities and Tax Credit Activities) will have a Program Support Center (PSC). This is the equivalent of the Central Office Cost Center (COCC) under the HUD Asset Management model and it contains all of the programmatic support costs related to each of the three activity areas. The expenses will be split out to one of the three support centers based on unit equivalency and where the project or program resides to more clearly identify where administrative expenses fall and measure either the profitability or cost to each of the identified areas.

The end of this plan indicates the breakdown of how the administrative cost portion of the PSC will be charged out.

Direct Costs

Any costs that directly and wholly support a particular project or program will be charged as Direct Costs to the respective project or program. The following chart outlines which costs are considered Direct Costs.

Program Area	Cost Type	Comments
Property Management	Personnel Costs	
	Office Rent	
	Insurance	Includes property and liability insurance directly related to the AMP
	Program Support Fees	Fees charged to the properties for administrative overhead and costs allocated out that are not under the direct purview of the managers
	Administrative Costs	Includes postage, legal, office supplies, training and travel, mileage, professional services, and eviction costs
	Maintenance Costs	Includes materials, maintenance personnel costs, and contracts
	Utilities	
	Security	
	Relocation due to Reasonable Accommodation	
	Collection Loss	
	PILOT	
	Debt Service Payments	
	Audit Costs	
Rental Assistance	Personnel Costs	
	Office Rent	
	Insurance	
	Program Support Fees	HUD fees and leasing
	HAP Expenses	
	Audit Costs	
	Administrative Costs	Includes postage, legal, office supplies, training and travel, mileage, professional services, and eviction costs

Table 1: Direct Costs

Indirect Costs (Program Support Fees)

Any indirect costs incurred by THA in support of its projects and programs will be incurred by the Program Support Center. The fees are:

- Administrative Support Fee based on HUD model. This also includes IT, Elderly Service coordinator and leasing cost. We choose not to allocate any costs out to a program or project that is not under their direct control.

Project Support Fee

The Administrative Support Fee will cover the costs of the services provided by the following:

- Executive Department
- Purchasing
- Asset Management, including compliance
- Human Resources Department
- Real Estate Management and Housing Services Director
- Accounting and Financial Services
- Real Estate Development Director and Capital Fund Monitoring
- Information Technology
- Reasonable Accomodations
- Leasing Staff and expenses Elderly Services Coordinator

There will be two separate rates, one for Rental Assistance programs and one for managed housing units. The fee charged to Rental Assistance will be charged to all Rental Assistance Baseline units (MTW Vouchers, FUP, NHT, VASH, etc), and the fee charged to Property Management will be charged to all managed housing units, regardless of occupancy status. The following chart shows how these fees are derived. For Rental Assistance, THA is using the HUD prescribed Management Fee. The Bookkeeping fee is reduced to correspond to a more accurate cost of defined support to the program. The IT fee is also reflective of direct support to the program. On the Managed housing side, THA will use the HUD Management Fee schedule as the base amount. Fees that would be allocated out (leasing, Elderly Services coordinator, IT) are charged as part of the fee in order not to have any expenses allocated out that Property managers do not have any control over.

Project Support Fee			
Fee	**Rental Assistance**	**Property Management -Senior**	**Property Mgt - Family**
HUD-Prescribed Management Fee (33.3% of prescribed fee for PM)	$12.00	$47.91	$47.91
Bookkeeping Fee	$6.00	$7.50	$7.50
HUD-Prescribed Asset Management Fee	$0.00	$10.00	$10.00
IT Fee (maintained by IT, but previously charged out as allocated direct charge)	$2.00	$6.00	$6.00
Elderly Service Coordinator Fee		$16.83	
Leasing Support	$2.45	$7.40	$7.40
Total Fee:	***$22.45***	***$95.64***	***$71.41***

Table 2: Administrative Support Fee Components

For THA's tax credit properties, the agency receives management fees per the entity's operating agreement. THA will reserve the right to use any available excess operating subsidy remaining in the Tax Credit AMP (AMPs 7-16) to cover deficits in the Tax Credit PSC.

Cost Centers

Property Management

Property Management uses of funds includes the Direct Costs and Project Support Fees for all of the properties managed by THA. The Property Management source of funds includes Capital Fund, Tenant Revenue, Operating Subsidy, and Other Revenue.

Rental Assistance

Rental Assistance uses of funds include the Direct Costs and Program Support Fees for all of the voucher programs managed by THA's Rental Assistance Division. These programs include Housing Choice Voucher (HCV), TBRA, SRO/SCO, Project-Based Vouchers, FUP,

VASH, NHT, and HUD FSS. The sources for Rental Assistance primarily include HAP Revenue and the Administrative Fees paid to the agency by HUD.

In addition to the fees Rental Assistance pays to the Program Support Center, there are other fees paid and earned in this area. All direct costs for all of the Rental Assistance programs will be recorded in our main Section 8 HCV fund in the MTW program. A fee will then be charged to our SRO and non MTW Section 8 programs based on unit equivalencies. This fee will be income earned by the MTW Section 8 HCV program for reimbursement of the expenses incurred by them. The chart below shows the equivalencies used.

Rental Assistance Unit Equivalencies		
CAH (MTW)	**Units Supported**	**Percentage**
Section 8	3543	84.92%
TPV Vouchers	253	6.06%
Non-MTW	**Units Supported**	**Percentage**
SRO	81	1.94%
FUP	50	1.20%
VASH	145	3.48%
NHT	100	2.40%

Table 3: Rental Assistance Unit Equivalencies

Community Services

The Community Service department supports all THA's Affordable Housing clientele and assists families to move to Self Sufficiency. As we transition our new Voucher holders over to the Housing Opportunities (HOP) program that is both time limited, and a fixed subsidy program, these services have become more important. Additionally, THA has received a number of grants that provide funding for a variety of services to its clients. The majority of these grants do not come with coverage of administrative overhead. None of the income or expenses for direct grants will be part of the MTW program, but overhead costs not reimbursed by the grants will.

THA's Community Service area has traditionally assisted clients when Property Management staff has requested their assistance to help families remain viable tenants when in crisis. Moving to Work status has allowed the agency to continue that role, along with assisting families in a more pro-active way to move towards self-sufficiency.

THA's Community Service department will either hire caseworkers or collaborate with other agencies to assist families at different levels. Community Services works with families who face hardship and cannot meet minimum rent or lease requirements, prepares them to succeed as tenants, and assists tenants in obtaining skills that allow them to become self-sufficient. THA is proud of this focus. It is what makes us more than a real estate developer, more than a landlord, and more than a manager of rental assistance. This is the work that makes us a social justice agency. This is the work that makes us an MTW housing authority.

In the agency's approach to Community Services for the LAMP, the following applies:

- Income and Expenses directly related to a grant is not included in the MTW area.
- All administrative overhead not covered by these grants are charged to a Community Service fund that tracks all MTW costs.
- The Elderly/Disabled Coordinator funded through the Operating Subsidy is charged out as a portion of the management fee to the elderly/disabled projects.
- The costs for the Community Services staff assisting the agency's Property Management portfolio and MTW Voucher holders, along with the administrative costs associated with it, are charged to a Community Services fund supported by the agency's MTW flexibility.
- Costs for both our Education Initiative and Asset Building Programs that are not covered by grant funds would be paid out of MTW funds.

In taking this approach, it allows the Community Services department to operate as a business activity. It is set up in such a manner that THA's Property Management area must negotiate for the level of service it desires and pays to receive, and the cost is known up front.

Development

THA defines development activities to include modernization of the current portfolio, investigation and design of new affordable and market-rate development opportunities, and administration of the Capital Fund Grant. THA also acts as its own developer in building of affordable housing, and is in the process of expanding its role in the Tacoma community. THA's approach to these activities is to charge any activities related to the current stock of affordable housing or activities funded by the Capital Fund to one of the two MTW activity areas. Any time that THA earns a developer fee as a developer, or performs tasks as either a Public Development Entity (PDE) or a Public Development Authority (PDA), all revenues and expenses will be considered Business Activities (Non-MTW).

Based on historic and projected activities, the agency estimates that Development activities make up approximately 10 – 15 % of the agency support. This figure will be reevaluated annually based on the projects in the pipeline, the funding available to support the activities, and current staffing levels. THA is continually on the lookout for how to increase the affordable housing portfolio, and if opportunities arise, THA intends to use its MTW flexibility for development and rehab of affordable housing units. Additionally, THA

has applied for a whole portfolio RAD conversion of its Public Housing portfolio, with 50% (primarily Tax Credit PH units) to be converted near the end of 2015.

Other Considerations

Personnel

Personnel costs are broken out a number of different ways, depending on which program(s) the staff support, where the funding for the positions comes from, and what the function of each position is.

Rent

THA's main office houses the agency's administrative support staff, the Rental Assistance Division and the Real Estate Development Department. All areas not considered administrative support pay rent for the space used in the main office. The amount of rent charged to each area is determined by the number of square feet occupied in the main office. The per square foot charged to each area is determined by adding up all of the costs to operate the main office and dividing by the total occupied square feet. For FY2015, each area will be charged $24.24 per square foot per year to occupy the main office. The following chart gives the breakdown of these charges.

Annual Rent Paid by Program for Main Office Space ($24.24 / Sq Ft)

Area	Sq. Ft at Main Office	CAH Activity (MTW)	Tax Credit Activity (MTW)	Business Activity (Non-MTW)	TOTALS
Rental Assistance	4,300	$91,724	$0	$12,508	$105,952
Real Estate Development	1,500	$12,362	$0	$23,998	$36,360
Total	***5,800***	***$104,086***	***$0***	***$37,108***	***$140,592***

Table 4 Annual Rent Paid by Program for Main Office Space

All rental revenue and the expense to operate the main office reside in the MTW Program Support Center (PSC). The chart below provides the cost details used to determine rent amounts for FY2015.

Rent Fund 005 Program Support Center	
Income	**FY2015 Budget**
Rental Income	$140,600
Total Income	$140,600
Expenses	
Depreciation	$164,700
Maintenance Salaries	$35,000
Maintenance Benefits	$11,500
Maintenance Contracts	$50,000
Maintenance Materials	$6,000
Utilities	$42,200
Security	$7,200
Property Insurance	$5,500
Total Expenses	$322,100
Net Income (Loss)	($181,500)

Table 5: Rental Income and Building Expenses

Since the expenses relate to both the administrative staff that reside within the main office building and the areas identified above that pay rent to the PSC, there will always be a loss in the Business Activities PSC. Commencing 2015, we will no longer charge rent to the Property Management units.

F. Differences – HUD Asset Management vs. THA Local Asset Management

THA is required to describe any differences between the Local Asset Management Program and HUD's asset management requirements in its Annual MTW Plan in order to facilitate the recording of actual property costs and submission of such cost information to HUD:

1. THA returned to using the standard Fee for Service as prescribed by HUD as its base fee. In addition to the fee, there are certain expenses (IT, Leasing, and Elderly service coordinator)that could have been allocated out to the projects, but as these expenses are not under the control of the Property Manager we included in the fee structure charged out to the properties.
2. Under this plan, THA renamed its Central Office Cost Center (COCC) to the Program Support Center (PSC) and split it into the three different activity areas. In addition, the PSC will track the program management salaries that cannot be directly attributed to a specific project or program, and therefore would be allocated. The fees will be received in the PSC where the costs that would have been allocated out reside.
3. HUD's rules limit the transfer of cash flow between projects, programs, and business activities. THA intends to use its MTW resources and regulatory flexibility to move its funds and project cash flow among projects that support affordable housing without limitation and to ensure that agency operations best meet THA's mission and serve the agency's low-income clientele.
4. In determining the units to use for the basis of the fee, THA chose to use total units, regardless of occupancy status. This differs from the HUD Asset Management model where Housing Authorities are only allowed to charge management and bookkeeping fees for occupied units in each AMP. THA chose to deviate from the rule for two reasons: 1) THA believes that charging a fee to an AMP for an unoccupied unit will serve as an incentive to the staff to get the unit leased because the AMP is paying a fee on a unit that is not receiving any revenue; and 2) doing so will allow both the AMPs and the administrative staff to budget on a known fee amount, along with covering overhead incurred by the agency whether a unit is leased or not.
5. Under the HUD Asset Management Model the COCC financial information is reported as Business Activities. In THA's LAMP, each activity area has its own Program Support Center (PSC), which is the equivalent of the COCC, and the PSC's that support MTW will be included in the MTW Demonstration Program and the Business Activities PSC will be included in Business Activities column on the FDS.

G. **Charts -** These charts are based on the information in place at the time of the plan. There may be some changes in property that will impact the actual information in 2015.

Unit Equivalencies

All Property Management Units				
CAH (MTW)	**Units Supported**	**Unit Factor**	**Factored Units**	**Percentage**
AMP1	160	1	160	15.77%
AMP2	152	1	152	14.98%
AMP3	144	1	144	14.19%
AMP6	34	1	34	3.35%
				48.29%
Tax Credit (MTW)	**Units Supported**	**Unit Factor**	**Factored Units**	**Percentage**
Tax Credit Properties	602	0.66	397.32	39.16%
				39.16%
Non-MTW	**Units Supported**	**Unit Factor**	**Factored Units**	**Percentage**
9 Homes	9	1	9	0.89%
North Shirley	1	1	1	0.10%
Stewart Court	58	1	58	5.72%
Wedgewood	0	1	0	0.00%
Salishan 7	90	0.66	59.4	5.85%
				12.56%
	1,250		**1,015**	**100.00%**

All REMHS Units - (Operations Coordinator/Compliance/Reasonable Accommodations)

CAH (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Section 8	3796	0.33	1251	48.24%
AMP1	160	1	160	6.16%
AMP2	152	1	152	5.85%
AMP3	144	1	144	5.55%
AMP6	34	1	34	1.31%
				67.17%
Tax Credit (MTW)	**Units Supported**	**Unit Factor**	**Factored Units**	**Percentage**
Tax Credit Properties	602	1	602	23.18%
				23.18%
Non-MTW	**Units Supported**	**Unit Factor**	**Factored Units**	**Percentage**
SRO	81	0.25	20	0.78%
FUP	50	0.25	13	0.48%
NHT	100	0.25	25	0.96%
VASH	130	0.25	33	1.40%
9 Homes	9	1	9	0.35%
North Shirley	1	1	1	0.04%
Stewart Court	58	1	58	2.23%
Wedgewood	0	1	0	0.00%
Salishan 7	90	1	90	3.47%
				9.71%
	5,402		**2,592**	**100.00%**

All REMHS Units (w/o Counting S8 Tax Credit Units Twice) - Leasing				
CAH (MTW)	**Units Supported**	**Unit Factor**	**Factored Units**	**Percentage**
Section 8	3796	0.15	571	41.05%
AMP1	160	1	160	11.54%
AMP2	152	1	152	10.97%
AMP3	144	1	144	10.39%
AMP6	34	1	34	2.45%
				76.41%
Tax Credit (MTW)	**Units Supported**	**Unit Factor**	**Factored Units**	**Percentage**
Tax Credit Properties (PH)		1	327	23.59%
				23.59%
Non-MTW	**Units Supported**	**Unit Factor**	**Factored Units**	**Percentage**
9 Homes	9	0	0	0.00%
North Shirley	1	0	0	0.00%
Wedgewood	50	0	0	0.00%
Salishan 7	90	0	0	0.00%
				0.00%
			1,386	**100.00%**

Table 6: Unit Equivalency Charts

Program Support Center Allocation Detail

Program Support Center Unit Equivalencies					
Cost Center	**Funding Source**	**CAH (MTW) Unit Equiv.**	**Tax Credit (MTW) Unit Equiv.**	**Business Activities (Non-MTW) Unit Equiv.**	**Total Units**
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SC0002			10	10
	Mod Rehab SR0002			41	41
	Section 8 Vouchers	3,543			3,543
	Life Manor TPV Vouchers- Roll into MTW 07/01/12	150			150
	Hillside Terrace Relocation Vouchers – Roll into MTW 07/01/13	103			103
	HUD FSS Grant	N/A			0
	FUP Vouchers			50	50
	NHT Vouchers			100	100
	VASH Vouchers			145	145
Property Management: Local Fund Units	N Shirley			1	1
	Alaska 9 Homes			9	9
	Wedgewood - 50 Units managed UMS*			X	0
	Salishan 7			90	90
Property Management: Public Housing AMPs	AMP 1 - K.G & M	160			160
	AMP 2 - 6th Wright, Fawcett	152			152
	AMP 3, Dixon, BT, Lawrence	144			144
	AMP 4, Demo'd 2012	0			0
	AMP 6 - Scattered Sites	34			34
Property Management: Tax Credit Partnerships	Hillside Terrace		21		21
	Hillside Terrace 2		25		25
	Hillside Terrace 1500 Blk		16		16
	Bay Terrace		70		70
	Salishan 1		90		90
	Salishan 2		90		90
	Salishan 3		90		90
	Salishan 4		90		90
	Salishan 5		90		90
	Salishan 6		90		90
	Total Units	***4,286***	***672***	***476***	***5,434***
Development	THA MTW Support including CFP	277			277

THA as Developer			538	538
Unit Equivalents	*277*	*0*	*538*	*815*
Total Units/Unit Equivalents - 15% of Units	***4,563***	***672***	***1,014***	***6,249***
Program Support Center Equivalencies (% of All Units)	***73.02%***	***10.75%***	***16.23%***	***100%***

* Note that Wedgewood is managed by a third party, therefore the units are not factored into any of the accounting in THA's cost approach.